

FAR EASTERN ECONOMIC REVIEW

VOL. X

Hongkong, February 22, 1951

No. 8

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JAPANESE MERCHANT SHIPPING

By Norton S. Ginsburg

Within the past few months the Japanese flag has made a major reappearance on the world shipping scene. The first Japanese vessel to serve Hongkong since the war arrived on the 10th of February. In December the first Japanese ship to carry cargo to the United States reached the Atlantic Coast, paradoxically with a hold full of scrap metal. Meanwhile, more than 39 countries have agreed to open their ports to Japanese vessels, and O.S.K. has received permission from SCAP to reopen its South American service. Other regular services involving over a million gross tons of shipping have been applied for by Japanese companies, and it is expected that they gradually will be cleared by the Ministry of Communications.

Until the middle of last year, however, most of the Japanese fleet was either laid up or was engaged in the carriage of the considerable coastwise trade. In June, 1950, about a million gross tons of shipping lay idle in Japanese ports in the absence of permits to engage in overseas trade on a large scale. About 600,000 tons of these, however, were either obsolete or did not meet international shipping standards. The outbreak of the Korean war and the chartering of Japanese ships for military purposes broke the depression deadlock, and a major shipping shortage is already apparent. Most of Japan's imports are carried in American bottoms, less than 25 per cent in Japanese. The former generally have been chartered from American surplus shipping by Occupation authorities, but the war demand has restricted the tonnage immediately available for chartering. Meanwhile, the

Japanese vigorously are seeking means by which their merchant marine can be expanded. The American government has recently supported SCAP's recommendations for a redevelopment program, but when the Japanese attempted to charter some of the Liberties laid up in America, the restrictions due to the Merchant Ships Sales Act of 1946 obstructed negotiations. Now SCAP is negotiating with American shipping companies to have them charter and operate several hundred thousand tons of now-idle shipping in the Japan-U.S. trade.

The problem is complicated further by the antipathy of American shipping toward a revival of Japanese shipping. In Washington, the National Federation of American Shipping opposes any increase in the size of the Japanese fleet and claims that an increase of "40 to 100 vessels would mean that Japan, in addition to carrying all her own foreign trade, would be back in her prewar position of cutting into everyone else's shipping because of the low rates of pay for Japanese seamen."

* * *

A discussion of the Japanese shipping problem is not meaningful without a prior understanding of the relations that existed between Japan's prewar trade and shipping.

Before 1937 Japan carried in her own bottoms about 75 per cent of her overseas trade, including that with the dependencies of Karafuto, Korea, and Taiwan, and 100 per cent of her coastwise trade. Exclusive of the trade within the Empire, Japanese vessels carried about 70 per cent of her trade by value. The merchant marine of that time serv-

ed four major functions. First and foremost, it carried bulky raw material and food imports to Japan at the lowest possible cost. Second, it carried also at the lowest costs, thereby enabling Japanese exports to compete in the marginal, lowpurchasing-power markets of the world. Third, it brought in valuable foreign exchange which helped counter the generally adverse balance of commodity trade. And fourth, it helped minimize the outlay of expenditures for shipping services to other countries.

These functions developed within the geographical and social environment that was, and to the largest extent still is, Japan. Japan is an island country; all of her foreign trade is overseas trade, and much of her internal trade also is by sea. Populated as densely as any country in Asia, Japan developed an economy which depended on the skills of her large and able population to produce low-cost manufactured or processed exports for the markets of the world's underdeveloped areas. Limited in natural resources, however, her export trade depended in turn upon large quantities of imported raw materials. Thus, the volume of imports generally was almost twice that of exports, and it was in the import trade that the Japanese merchant marine performed its basic function. Since Japan was also a major food importer and since her population was increasing, the value of imports tended to rise more rapidly than that of exports. To neutralize the worsening terms of trade various services, of which shipping services were the most important, were supplied for a fee to other nations. In 1936 net shipping receipts accounted for over 4 per cent of the gross merchandise trade, a percentage sufficient to counter roughly the other-

wise adverse balance of international payments. However, Japan also paid out about half this figure for shipping services performed by British, Dutch, Scandinavian and American ships.

Most of Japan's prewar trade was with the countries of Asia. In 1936 60 per cent of imports by value originated in Asia and Australasia and 22 per cent came from the United States. On the other hand 66 per cent of her exports went to Asia and Australasia, while 16 per cent went to the United States. In terms of weight tonnages, Asia was of even greater importance, supplying more than 75 per cent of imports. It was to be expected, therefore, that most of Japan's prewar merchant shipping found employment in Asiatic and Pacific waters.

The total volume of the 1936 overseas trade came to some 32 million long tons, including trade with the Empire areas. About 75 per cent was carried in Japanese bottoms. In addition, the coastwise trade amounted to some 40 million tons of which 20 millions were coal. To carry this trade Japan possessed a merchant fleet of 4.2 million gross tons of which some 3.7 millions consisted of vessels over 1,000 gross tons and suitable for overseas carriage. After 1936 the size of the fleet expanded rapidly to an estimated 7 million tons in 1942, but so much of that tonnage was employed exclusively for the transport of military and strategic commodities that its significance to a peace-time trade situation cannot be determined.

* * *

Given this background sketch, what is the general position of Japan's trade and shipping today, and what can be anticipated for the near future?

It is difficult to make predictions and generalizations about a world on the brink of war and divided into two major spheres of forced political and economic autonomy. However, it is apparent that if Japan is to take her place among the family of nations her trade must revive. Since the resource situation has not only not improved but has worsened since the prewar period, the dependence of her industries on imported raw materials is even greater than before. Furthermore, the population of Japan has risen from 70 million to 83 millions and will continue to rise at a rate of nearly a million a year. For these reasons the precarious position of the Japanese economy is and will be more of a problem than ever.

At the present time Japan's economy is being subsidized heavily, to the tune of more than 400 million dollars gold a year by the United States. Unlike the prewar trade the bulk of Japan's present trade is still with the United States from which both foodstuffs and raw materials are imported. Unrest and revolution in Southeast Asia and the cutting off of Korea, Taiwan and Karafuto as major sources for food and raw material imports have accentuated this dependency.

At the same time most of the imports, not only from the United States but also from other countries with which barter agreements have been made, are carried in foreign bottoms, chiefly American and therefore costly. Thus Japan is forced to compound the difficulties of her unbalanced merchandise trade position by purchasing shipping services with much-needed foreign exchange which otherwise could go toward the acquisition of necessary raw materials for re-established export industries.

On the brighter side is the fact that Japan since 1949 has begun to resume an increasingly important but still limited role in the trade of southern and southeastern Asia, the areas in which the possibilities for Japanese trade are the brightest and where Japan can compete in a market for which her low-cost consumers' goods and to some extent producers' goods are best suited. Here again high transportation charges for foreign shipping services are one of the major handicaps in expanding Japan's trade in these parts of the world.

Japanese economic planning has set 1953 as the year in which an international balance of payments can be reached. In that year also it is assumed that American aid will cease, although with the continuance of the present political situation in the Far East, it seems less likely than ever that the United States will cast Japan adrift. In any case one basic feature of the planning program is the reconstruction of the Japanese merchant fleet to the point where it can carry 50 per cent of Japan's foreign trade. Without shipping facilities an international balance is not possible, certainly not in 1953, and probably not at all.

In 1936 the Japanese fleet, as indicated, amounted to some 4.2 million gross tons of vessels over 100 gross tons and therefore suitable for overseas trade, more than 3.5 million were actually engaged in the

carriage of the import trade, the balance being in repair, laid up or in cabotage.

At the close of the war, however, the total Japanese fleet over 100 gross tons amounted to less than 1.4 million tons of which almost one-half was composed of war-built standardized vessels already obsolete. Less than 200,000 gross tons were suitable for ocean transportation in competition with modern ships of other countries. Through a series of shipbuilding and refitting programs reminiscent of those which were in effect during the thirties and with the requisition of some surplus LST's the fleet has been built up to a total of 1.8 million gross tons of which about 900,000 tons are suitable for the carriage of overseas trade. By the end of the current fiscal year in April 1951, and the completion of the sixth program, this latter figure will approximate 1 million gross tons. By the end of the 1951-2 fiscal year an additional 3-4 hundred thousand tons may be added, with US financial assistance, bringing the total fleet to 2.2 million tons and the ocean-going fleet to roughly 1.3 million tons.

This latter is about a third the size of the 1936 deep-sea fleet. At the same time the volume of the import trade should reach some 18 million long tons of which a large portion will be coming from greater distances than was the case 15 years ago. This means that turnarounds will be longer and that tonnage utilization will be less efficient than before. Even if only 50 per cent of Japan's trade is carried in Japanese bottoms and no third country trade is carried, these 1.3 million tons will be far from adequate to meet the demand. Under ordinary—or rather, less extraordinary circumstances—the necessary additional tonnage could easily be obtained by charter from the other maritime nations. In fact, however, the Korean war has aggravated an existing shortage of shipping tonnage in Far Eastern waters. Only those Liberties laid-up in American ports, which will in all probability never become economical for "normal" ocean transport, exist as a possible practical source of shipping. The Japanese request for their use under charter seems reasonable and practical.

* * *

The above discussion deals primarily with the present and the next year or two. What of the future

size of Japan's merchant marine?

If it is assumed that Japan's trade potential will continue to increase until it approaches its prewar level, the total volume of imports undoubtedly will equal the 32 million tons of 1936 when Japan's population was smaller. In that case assuming a 50 per cent carriage in Japanese bottoms, the ocean-going tonnage required will be in the vicinity of 2.2 million tons. If the 50 per cent limit is extended to its prewar levels, still without carriage between third countries, the estimated gross tonnage required will be about 2.8 millions. In time most of this additional shipping can be constructed in Japanese yards which have an actual annual capacity of 500,000 tons and a theoretical one of 800,000 tons; but demands for ocean and coastwise shipping replacements and from foreign companies whose foreign exchange will be needed also must be considered.

If the coastwise shipping needs are considered—some 500,000 gross tons of motored vessels between 100 and 1,000 tons,—and 200,000 tons over 1,000 tons—then the size of the entire Japanese merchant marine will be some 3.5 million tons, at present standards fifth among the merchant navies of the world. If Japan is permitted once more to gain foreign exchange by carriage of trade between third countries another 400,000 tons would be necessary on the basis of prewar allocations, but it is unlikely that the former allies will permit

this competition in the near future except perhaps along scheduled routes with one terminus in Japan.

* * *

The anticipated postwar shipping vacuum caused by the elimination of Japanese shipping in the Far East has not materialized. By and large vessels have lifted full cargoes, and the shipping industry as such has prospered. This has been true for three reasons. First, Japan's trade has been restricted in size and most of it has been with North America, a radical departure from the prewar period. Second, the larger part of the Japan trade, such as it has been, has been carried in vessels flying the American flag. Third, the gross internal trade of the Orient has been of smaller dimensions than it was before the war due to Japan's defeat, political instability in Southeast Asia, and the civil war in China.

The reconstruction of Japan's merchant fleet, it is feared, would cut into the shipping activities of other flags, particularly those which operate out of and through Hongkong. However, the probability is slight that Japanese competition, certainly in the early stages, will result in materially lower profits and in half-empty holds. The expansion of her fleet is predicated on the belief that Japan's own trade will increase and that the bulk of her shipping will be employed in the carriage of her own trade, a trade which at present is still much

depressed and by-passes Hongkong.

On the other hand, American shipping companies have good reason to be concerned. Since a large percentage of Japan's trade will continue to be with the dollar countries her shipping will compete directly with American shipping, particularly in the North Pacific carrying trades. This explains the exaggerated statements attributed to the National Federation of American Shipping referred to earlier. There is no likelihood that Japan will, even on the basis of a hypothetical fleet of 3.5 million gross tons, carry all of her trade in Japanese bottoms. However, she can be expected to compete successfully with high-cost, though heavily-subsidized, American shipping at least in the trans-Pacific trade. The issue from the American point of view, therefore, comes down to this: should the Japanese merchant marine be redeveloped to a profitable size for Japan, thereby threatening the near-monopoly that American shipping holds in the Japan-U.S. carrying trade and easing Japan's economic position; or should that redevelopment be retarded at Japan's expense, so that American shipping can be maintained as a going concern at maximum strength for reasons of military strategy? In a free and untroubled world there would be no question of choice; under the present circumstances, however, the second argument can be presented most attractively to the American people.

TOWARDS EUROPEAN FEDERATION

Considering the immense difficulties obstructing the path at every step, the progress already made towards implementing the Schuman Plan, of which the world had not even heard until May 9, 1950, has been commendable.

What the French government proposed was immediate action, at first by France and Germany only, whose entire production of coal and steel should be pooled and placed under the control of a supernational body called (the joint high authority), whose decisions would bind the countries in the pool but which would operate quite independently of their governments. All European countries wishing to do so would be free to join this union. Officially, this was described as: "The first concrete step towards the federation of Europe."

Politically, the Schuman Plan—as formulated by the French government—aims first and foremost at ending, once for all, the age-long feud between France and Germany, between whom, after the fusion of their coal and steel production, "war would not only be

inconceivable but materially impossible." By accomplishing this, perpetual peace among all the countries of Europe would be assured.

Economically, the avowed objects are: 1. To convert Europe by stages into a single uniform market, beginning with coal and steel, making the output of the Ruhr, the Saar and Lorraine available to all Europe on identical terms and thereby; 2. To lay the foundation for a vast increase of industrial production, so as to assure full employment for all time to raise the standard of living of all European peoples, and, by doing so: 3. To enable Europe to tackle effectually the task of developing the whole African continent.

From the outset, the competent spokesmen emphasised there would be nothing in common between the Schuman pool and the usual type of international cartel which, as was explained, is a union of private capitalistic interests formed to reserve for each member exclusive rights in that part of the total market allocated to him to exploit for his own benefit, keeping

prices high by curtailing production and thus limiting the supplies reaching the market. Whereas the Schuman Plan is to become an "international commodity agreement" aiming at a vast expansion of output and at the rationalisation of production on a European scale, in order to lower prices and raise the standard of living.

To achieve this, the supreme technical difficulty will lie in the equalisation of prices. Europe is bound hand and foot by all kinds of restrictions designed to prevent trade. As long as every European government felt obliged to provide its own national defence, each country wanted to produce its own steel, however costly production might be. So each country tried to isolate its own market—usually by means of prohibitive customs duties and preferential freight rates. To turn Europe into a single uniform market, all artificial barriers to trade would have to be abolished permanently. If this were done, those coal pits and steel works where production is most efficient would expand and those least efficient succumb.

Today, the belief that any European country can provide effectually for its own safety has been abandoned. Collective security makes it imperative to pool all resources essential for the common defence. Hence the belief that every country must have its own steel industry is weakening. What really matters is that whatever is produced should be available to all on the same terms. So the Schuman Plan is based on the abolition of all customs duties and differential freight rates on coal and steel among all countries belonging to the union. For both economic and social reasons, these drastic changes could not be made suddenly.

Coking-coal of the kind indispensable to France for steel-making is obtainable in ample supply from West-Germany only. Iron ore suitable for steelmaking in West-Germany is available from Lorraine. Complete freedom of exchange of Ruhr coke for Lorraine ore would be the nucleus of the Schuman pool. To make this work smoothly, price adjustments are essential.

France herself produced 53 million tons of coal in 1949 and is an exporter, nevertheless in that year imported 12 million tons of coal and coke, largely from the Ruhr. At present, the output of coal in West-Germany is barely enough for her own needs, but, by the terms of the military occupation, she has to export certain specified quantities.

At the time the Schuman Plan was mooted, French coke in France cost the equivalent of DM 72.60 a ton, whereas Ruhr coke, despite higher freight charges, cost the French steel works only DM 66 a ton. One reason for this difference was that in the Ruhr, output per man per shift in 1949 was 1360 kgs, in France only 1110 kgs. Before the war the respective figures were: Ruhr 2000 kgs, France 1450 kgs. So the difference in output is the result of different conditions, hard to change. Wages in West-Germany, too, are at present lower than in France.

Although German coke already cost the French steelmakers less than French coke, the French government obdurately insisted that export price of German coke—fixed by the Ruhr Authority—should be lowered still further to the same level as the German inland price, so that Lorraine iron ore, of which France wants to export her surplus to Germany, might be able to compete with the richer Swedish ores which, though dearer, need much less coke to smelt.

Chiefly because of the policy of isolation of these two markets from each other, West-German bar steel last May was DM 237 and French DM 289 a ton, while for coarse sheet steel the respective prices were: West-Germany DM 260, France DM 336.

Still greater inequalities exist elsewhere. The International Chamber of Commerce has pointed out that in France, French coal costs Ffrs. 700 more than German, but Belgian Ffrs. 1500 more. Belgian coal seams are inferior, wages high, average output per man low. If existing barriers were

suddenly raised, many Belgian pits would have to close at once, serious unemployment resulting. Only where modernisation would enable Belgian coal prices to be cut by about 40% would Belgian production inside the union be economic. The proposal is that prices should be temporarily equalised by subsidising the Belgian pits at a decreasing rate for a period of five years, out of a fund to which West-Germany and Holland, as producers of the cheapest coal, would be the chief contributors, their coal prices being raised by about \$1 a ton. At the end of five years, the least efficient Belgian pits, after receiving compensation, would have closed down.

These typical facts illustrate the redoubtable nature of the technical problems to be solved. Had the promise of economic gain not seemed to be many times the prospective cost, the Schuman Plan might not have commanded the support of the experts competent to assess its value. Figures published by the French government, by West-German industrialists and by the International Chamber of Commerce, however, showed that, to exist from the export of industrial products, *Europe must produce steel at competitive prices.*

At the opening of the present century—it is pointed out—the world output of raw steel was 35 million tons. In 1949 157 millions. In 1950, production is expected to reach 175 millions, and in 1953 at least 200 million tons. Part of this enormous increase is due to heavier armaments. Part to the growth of population. Most of all, however, to the augmentation of civilian demand resulting from technological, economic and social development.

Production in Marshall-Europe and Spain is now only about 2¼ times what it was then, contributing only about 21% of the total increase. Since the beginning of the century, the production of steel in the U.S.A. has increased sevenfold. In 1949, the output was 73½ million tons. According to the original plan, output by 1953 was to be 90 millions but the schedule now is 100 million tons. In 1950, more than half the world output of steel was produced in the U.S.A. whose population is somewhat above 150 millions. This vast expansion is attributed to the immense, uniform inland market available.

During the same period, the production of steel in the U.S.S.R. increased eightfold. In 1949, the output of the whole Eastern block was 28 million tons. In 10 years time from now the Soviet Union plans to produce 60 million tons. This is considered quite feasible because of the magnitude and uniformity of the market where that industry operates. The population of the U.S.S.R. is estimated at about 190 millions.

In 1949, all Western-Europe including Great Britain and Spain produced 47.6 million tons of steel, the contribution of the United Kingdom alone being about 16 millions. In 1950, the

total West-European output is expected to be about 50 million tons, and might have been more but for demolitions and restriction of production in West-Germany. A great part of the raw steel made in Western-Europe is exported to the U.S.A.

Consumption of steel per head of population is regarded as an indicator of industrial potential as a whole. In 1948, the consumption of steel in Europe was 110.5 kgs per head of population. In the U.S.A. 518 kgs. In Western-Europe, the total population is about 280 millions. On the basis of population, the aggregate production of raw steel in Western-Europe ought to be about twice as great as in the U.S.A., that is, about four times what it actually is. In Western-Europe, prices are kept high artificially. In the U.S.A. competition among the steel-works keeps production low. Ruhr industrialists declare that, if all customs duties and differential freights were abolished, enabling production to be planned on a grander scale, the output of steel in Western-Europe would be doubled in ten years.

The outbreak of the conflict in Korea last June convinced most governments in Europe that the implementation of the Schuman Plan had become an imperative necessity. By December 15, the experts of the six negotiating governments: France, Belgium, Luxembourg, Holland, Italy and West-Germany, had finished their deliberations and sent to their governments for signature a draft agreement embodying proposals for the solution of all the technical problems involved. *This demonstrates the faith of the competent experts in the practical feasibility of the Schuman Plan.*

Next follows the delicate political stage of negotiations, entrusted to the foreign ministers of the six countries concerned. *This is where the decisive test is reached.* To put the Schuman Plan into effect, all the participating governments must accept the curtailment of certain far-reaching sovereign rights. Among the tasks of the High Authority are to be: The supply of all members of the Union with coal and steel, the equalisation of wages, prices and freights, the removal of discriminations, the modernisation and rationalisation of production, the raising of funds to subsidise production where prices must be reduced and compensation when uneconomic undertakings have to close down. The High Authority will consist of independent persons appointed by the governments in question but would be outside their control. It is to work as though national frontiers did not exist. Because this curtailment of sovereignty goes so far, Great Britain has until now held aloof.

To reach agreement about the functions and powers of the High Authority before the end of 1951 would indeed be a statesmanlike achievement. The final act would be the ratification of the agreement by the six member governments. *That would mean that the foundation stone of the federation of Europe had been laid.*

AMERICA'S ASSISTANCE TO FAR EASTERN COUNTRIES

TAIWAN

Formerly a highly-prized unit of the Japanese Empire, Formosa fed itself and exported sugar, rice, and tea. Its power requirements were supplied with native coal and hydroelectricity, its transportation facilities were highly developed, and it possessed a wide range of heavy and light industries, including cement, paper, woodpulp, textiles, alkalis, fertilizers, petroleum products, light metals, shipbuilding and repair facilities. When China took over in 1945, however, the island's economy was run-down and war-battered. Conditions since that time have improved notably. For example, in the case of railways, freight tonnage has tripled since 1946 and is now only slightly below the peak load prior to the war. Rice production is now at an all-time high, and so is power output. The requirements of the island's economy now, though, are much greater than in prewar because of the needs of the Chinese Nationalist Army located there, and the large (one-sixth) increase in population due to the influx of refugees during the last two years.

Under terms of the China Area Aid Act, continued ECA aid is being provided amounting to not less than US \$40 million during the fiscal year 1951. The short-run objective of this aid is to offset the foreign exchange deficit and to maintain the highest possible levels of agricultural and industrial production. The chief long-run objective is, of course, to create a self-supporting economy through further improvement of agricultural and industrial production. The aid currently being rendered consists of three general types: commodity imports, industrial rehabilitation combined with engineering assistance, and the betterment of the rural economy. 1. The commodity program is intended to finance imports from hard currency areas which otherwise could not be purchased owing to the limited foreign exchange resources available to the Chinese. The commodities being imported consist largely of industrial raw materials, tentatively programmed at approximately \$30 million for the fiscal year. 2. The second type of assistance, programmed for approximately \$10 million, consists of the financing of equipment to permit industrial rehabilitation and maintenance. The program is directed toward the improvement of power generating and transmitting systems, railway transportation, telecommunications, highways, and fertilizer manufacture. An increasing emphasis is now being placed on this long-range type of industrial program in order to enable Formosa to become economically self-supporting within the next five years. For guidance in implementing this program, an American engineering-consulting firm is working in For-

mosa under a contract financed by ECA. 3. The third type of aid is being carried out under the guidance of the Joint Commission on Rural Reconstruction (JCRR). The Commission, composed of both American and Chinese members, is engaged in the administration of approximately 140 projects intended to better the agricultural economy and living conditions of the rural population. It is financed largely from local currency funds.

INDONESIA

The Republic of Indonesia comprises some 2000 islands extending over 3000 miles between Southeast Asia and Australia, and possessing about 74 million inhabitants. Basically, Indonesia is of great importance to the countries of the free world. It is a vast reservoir for many important raw materials such as rubber, tin, petroleum, copra, cinchona bark (the source of quinine), and various metals and minerals—many of these not yet fully developed—and western countries, in turn, can supply Indonesia the types of products needed to permit rural rehabilitation and to further industrial development.

Indonesia needs nearly everything that is required to transform its hitherto colonial economy into that of a self-supporting and independent nation. Even its colonial economy is in a grave state of disorganization and disrepair as a consequence of World War II, Japanese occupation, and the subsequent struggle for independence. The prewar economy was based on extensive Dutch technical services and administration, and as the Dutch experts and administrators have returned home, essential services for health, agriculture, education, and utilities have broken down on a large scale. The resources of ECA under the China Area Aid Act are limited; the question is, therefore, how to use a minimum of resources for maximum effect.

The ECA program takes cognizance of the current improvement in the country's balance of trade as a result of booming world markets in rubber and tin. It is based on the principle that available funds can be most effectively utilized in supplying technical services and equipment that would stimulate indigenous enterprise and production, and therefore affect the maximum number of people. Thus the program is concentrated on the provision of technical assistance and equipment for improving health, agricultural, and vocational training services. Likewise, the program provides substantial assistance in increasing the supply of fishing equipment and the furnishing of equipment and technical aids for the rehabilitation of forestry. Also included are plans to defray the expenses of an American engineering firm to aid the Indonesian government

prepare developmental projects (rail equipment, road building, harbor installations, irrigation and power projects) for Export-Import Bank approval, and to advise on the improvement of existing industrial facilities.

Indonesia received \$102 million from Marshall Plan funds, about \$40 million of which arrived since the country acquired independence on December 27, 1949. Most of this \$40 million was used for basic textiles and rice—essential commodities in the economy of this young republic, the acquisition of which helped greatly in stabilizing prices. With the limited sum now available from the China Area Aid Act, the ECA has earmarked approximately \$13 million for use in Indonesia during the year ending June 30, 1951.

THAILAND

Unlike the other countries of Southeast Asia, Thailand has a long history of independence and a relatively prosperous economy. Despite the destruction during the Japanese occupation, basic conditions are unusually favorable for further improvement in production and living standards. Rice is by far the most important element in the nation's production. Other major exports are tin, rubber, and teak. Opportunities exist for greatly increasing the production and export of many other products, including tapioca, shellacs, vegetable oils, and hides and skins, which would allow an increase in imports of needed capital and consumer goods.

Development of Thailand's resources not only would bring about a desirable rise in living standards there, but by increasing exports of foods and raw materials that could be paid for with manufactured goods, would contribute to the stability and prosperity of other more industrialized countries in Asia. Some of the basic development may be made possible by long-term private investors or banks, but for an immediate increase in Thailand's production, outside technical and material assistance is required. Resources in large areas of the country are under-utilized as a consequence of lack of transportation, communications, and power. Existing facilities were in many cases severely damaged during the Japanese occupation, and capital equipment is required for their restoration. Shortage of electric power handicaps production of light consumer goods. Malaria and other epidemic diseases sharply reduce the effectiveness of labor in some agricultural areas. Inadequate vocational training limits the productivity of a large part of the population. All these conditions can be improved by the assistance of United States technicians working with the Thai Government at the village level, and by the provision of key items of capital equipment. United States assistance is presently aimed at such essential services as harbor dredging at Bangkok, road construction, and tech-

nical assistance in the fields of health and agriculture. For example, in the health field, the go-ahead signals have been given for a malaria control project and for assistance in the form of hospital equipment and medicines. It is estimated that the total program of ECA economic assistance during the fiscal year 1950-51 will amount to approximately \$8 million.

INDOCHINESE STATES

Indochina comprises the three Associated States of Vietnam, Laos, and Cambodia, which, in accordance with an agreement of March 8, 1949, with France, are in transition from their previous status as colonial dependencies of France to a new status of independent states within the French Union. Chief threats to their continued democratic development lie in a possible Communist invasion from China and from a well-entrenched internal rebellion (originally against French authority, now equally against the Associated States) led by Ho Chi Minh and his political movement—the Viet Minh. Although this rebellion is centered primarily in Vietnam, guerrilla activities also are being carried on in the other two states. The economic situation in Indochina is disorganized because of the rebellion, but even at present, most of the people of Indochina have enough to eat. Under normal conditions the country is a producer of a great food surplus, supplying large quantities of rice to French colonies, to Hongkong, and to China. Today, however, the production and export of rice is greatly reduced as a result of the destruction of farms and villages by military operations, the loss of certain areas to the Viet Minh, and transportation difficulties. Normally, Indochina also produces for export corn, cotton, rubber, tin, iron, salt, zinc, cement, tea, and dried fish. Today, corn production is down and exports have virtually ceased since most of the corn country is held by the Ho Chi Minh forces. The phosphate and mineral mines have also been lost by the Associated States. The coal mines are undergoing rehabilitation, but production is barely adequate for domestic requirements. Some rubber plantations have been destroyed while others continue to operate as armed camps; rubber exports have been sharply reduced from prewar levels.

The primary objectives of the United States in Indochina under these difficult conditions are both political and military. The Bao Dai regime in Vietnam and the governments of Cambodia and Laos must be aided to grow in strength and establish their authority. In furtherance of these objectives, the United States is providing military assistance to the Associated States and the French forces in Indochina in their efforts to cope with the rebellion (through the Mutual Defense Assistance Program), and economic assistance through the Economic Cooperation Administration. A Special Technical and Economic Mission (STEM)

Foreign Trade

The foreign trade of Malaya for the month of November 1950 showed a favourable balance of S\$173.7 million, compared with an excess of exports in October of \$232.5 million; imports were valued at \$366,893,813 (October \$294.3 million) and exports at \$540,542,499 (October \$526.7 million). The total trade in merchandise amounted to \$907.4 million in November, exceeding the October figure of \$820.97 million by 10.5%.

For the eleven months of 1950, imports totalled \$2,561.8 million and exports \$3,407.4 million, giving a favourable balance of \$845.6 million.

Exports to the U.S. led in amount of S\$154.9 million (Jan./Nov. \$906.2 million), those to the United Kingdom came second at \$89.2 million (Jan./Nov. \$474.9 million), China third at \$33.6 million (\$98.4 million), Germany fourth at \$30.8 m. (\$142.6 m.), Hongkong fifth at \$30.2 m. (\$172.7 m.). Other exports were: Indonesia \$29.98

m. (Jan./Nov. \$219.4 m.), France \$25.5 m. (\$128.7 m.), Japan \$21.77 m. (\$104.97 m.), Italy \$17.8 m. (\$127.6 m.), Canada \$14.38 m. (\$79.58 m.), the Netherlands \$12.6 m. (\$72.3 m.), Australia \$8.75 m. (\$124.97 m.), Russia \$8.1 m. (\$116.26 m.), Thailand \$5.48 m. (\$66.1 m.) and Sarawak \$5.5 m. (\$49.86 m.).

Imports from Indonesia took first place to the value of \$122.2 million (Jan./Nov. \$677.84 million), those from the United Kingdom followed to the amount of \$64.66 million (\$460.2 m.), Thailand came third with \$33.86 m. (\$276.2 m.), Sarawak fourth with \$21.66 m. (\$144.5 m.), India fifth with \$18.2 m. (\$172.8 m.), Japan sixth with \$13.89 m. (\$80.24 m.), Hongkong seventh with \$12.6 m. (\$76.26 m.), China eighth with \$10.6 m. (\$86.2 m.). Other countries from which imports came were: Australia \$10.1 m. (\$100.2 m.), U.S.A. \$9.4 m. (\$78.34 m.), Burma \$6.75 m. (\$35.9 m.), Netherlands \$4.66 m. (\$37.3 m.), and Iran \$4.49 m. (\$33.67 m.).

was established by ECA in Indochina last May, and \$2.3 million in economic assistance out of an estimated total for the period through June 30, 1951, of \$21.4 million had been committed by October 31. The aid program will include rural rehabilitation; public health and sanitation—with projects in the control of malaria, venereal diseases, trachoma, tuberculosis, maternal and infant mortality, and general sanitation and hospital reequipment; technical equipment, publications, and training aids; technical training for Indochinese students in the United States; development of power, transportation, bridges, and small craft; and supplies of essential commodities such as raw cotton, raw silk, yarn, reinforcing steel, galvanized sheeting, and petroleum products.

BURMA

The potentiality of a healthy self-supporting economy exists in Burma. Before the war Burma was the largest exporter of rice in the world and was the breadbasket for many of the Southeast Asian countries, particularly India, Pakistan, and Ceylon. Its supplies of rice are now needed in these countries, in Japan, and elsewhere in Asia. Burma's valuable minerals, petroleum, and timber resources also found a ready and profitable world market. At present, however, the country's economy and government services are badly disrupted as a result of the heavy devastation suffered during the war and continuing internal rebellion by insurgent groups. With the widespread disorder still continuing, crop cultivation was reduced, land and river transportation were virtually halted in certain sections of the country, and the general economic pace slowed. Rice production was so reduced that exports in 1950 are estimated

at little more than a third of the prewar level. The teak industry, once a large revenue-producing enterprise, has for all practical purposes closed down. Mining, another great prewar industry, has all but stopped. Apart from small monthly shipments of petroleum to Mandalay virtually no petroleum is now being produced and refined, requiring this important prewar export item now to be imported. Burma's foreign trade has been reduced to a fraction of its prewar volume and the government, in order to maintain a favorable balance of trade, has reduced imports to a point where they barely meet minimum requirements.

The ECA aid program is still in the process of formulation. The following, although not allinclusive, indicates the directions that it is following: (a) PUBLIC HEALTH—The furnishing of drugs and medical assistance so as to achieve the greatest possible immediate benefits and at the same time integrate such activities into a reasonable longer-range program. (b) AGRICULTURE—Projects to increase rice production, to improve rice storage facilities, and to rehabilitate and expand the rice-milling industry. (c) COMMODITY SUPPLY—Procurement of essential commodities such as yarn and cotton. This type of assistance will have a beneficial effect upon employment and the supply of essential consumer goods; the sales proceeds will provide local currency funds to be used for rehabilitation and development purposes. The Prime Minister has appointed a Burma Economic Aid Committee (BEAC) to work with the United States STEM. The total program tentatively earmarked for Burma amounts to between \$8 and \$10 million for the period through June 30, 1951.

Rubber

Shipments abroad of rubber (including latex, concentrated latex and re-vertex) during December 1950 amounted to 111,058 long tons as compared with 100,141 tons in November. Exports went mainly to the U.S. 36,428 tons (November 36,804 t.), the United Kingdom 17,259 t. (November 18,787 t.), France 7,892 t. (5,660 t.), Hongkong 7,429 t. (4,993 t.), China 7,180 t. (9,302 t.), and Germany 6,992 t. (6,518 t.).

For the year 1950, exports of rubber totalled 1,106,483 long tons, 451,458 tons being shipped from the Federation and 655,025 tons from Singapore. The 1950 figure constitutes a record, the quantities shipped in previous years being as follows:

	Tons
1940	772,767
1941 .....	...
1946	558,001
1947	953,688
1948	979,107
1949	899,212
1950	1,106,483

The highest month for exports of rubber was October with 119,162 tons, the lowest was April with 68,059 tons.

The main countries taking rubber were: U.S.A. 376,724 long tons, United Kingdom 197,577 tons, Russia 68,058 t., France 60,550 t., Germany 52,735 t., Hongkong 44,367 t., Netherlands 40,673 t., Japan 39,766 t., China 38,568 t., Canada 37,962 t., Australia 33,321 t., South Africa 21,783 t., Sweden 11,770 t., Argentina 11,682 t. and the Netherlands 10,279 t.

Of these exports of rubber during the year, a total of 655,025 tons was despatched from Singapore (571,056 t. export proper and 83,969 t. Federation transshipments), while 451,458 tons was shipped from the Federation (Penang 250,713 t., Pt. Swettenham 186,517 t., Malacca 14,228 t.). Shipments during the year comprised 719,917 tons of ribbed smoked sheet (including air dried sheet), 15,827 t. of pale crepe, 61,232 estate brown crepe, 220,181 remilled rubber, 15,361 sole crepe, 73,202 t. rubber latex and 763 t. rubber for remilling or smoking.

Tin

A total of 6263 long tons of tin-ore concentrates was produced in Malaya during November 1950, 3948 tons being produced in Perak and 1633 t. in Selangor.

Tin metal (primary) exports in December only reached 5557 long tons, as compared with 7543 tons in November and 8202 tons in December 1949.

Over the year, tin metal exports reached a post-war record of 81,896 tons. September was the highest month with exports at 8597 tons and February the lowest with 4419 tons. Below are given the quantities of tin metal (primary) exported over recent years:

Long tons

1940	130,935
1947	32,072
1948	47,214
1949	54,783
1950	81,896

Of the total of 81,896 tons for 1950, over half or 44,590 tons went to the U.S.A., European countries took 20,256 tons, 7318 tons went to the United Kingdom, while British Commonwealth countries took 7356 tons and other countries 2281 tons.

Copra, Coconuts & Coconut Oil

Imports of copra into the Federation of Malaya during November 1950 amounted to 1,421.73 long tons compared with October exports of 2081.63 tons. Total imports from January to November came to 16,218.44 tons, as against 15,036.33 t. for the whole of 1949. Imports of copra were mainly from Sumatra, or 1383.84 t.

Exports of copra during November totalled 3463.25 tons (October 3484.34 tons). For the Jan./Nov. period exports came to 31,899.07 t. compared with the amount of 20,808.12 t. for 1949. November exports went principally to the United Kingdom 1270.07 t., Singapore 668.23 t., Denmark 500 t., Germany 425 t., the Netherlands 249.96 t., Sweden 149.99 t., Italy 100 t. and France 100 t.

Copra equivalent (including fresh nuts) imported during November came to 1431.90 t. (October 2174.14 t.); imports over the eleven months of 1950 totalled 17,681.45 t. as against 15,609.62 t. in 1949. Exports amounted to 13,031.02 t. in November (Oct. 13,987.7 t.) and for the Jan./Nov. period came to 112,891.64 t. (year 1949 96,483.24 t.).

Coconut oil imports in November came to 6.26 t. (Oct. 56.91 t.). Jan./Nov. imports came to 900.15 t. as against 352.17 t. for the year 1949. Exports of coconut oil for the month amounted to 6456.4 t. (Oct. 5860.12 t.), and for the eleven months of 1950 totalled 49,458.27 t. (year 1949 46,293.6 t.). Principal shipments were to Germany 1887.51 t., Singapore 923.65 t., the Netherlands 754.86 t., Italy 630.51 t., Belgium 587.3 t., India 516.06 t., Sweden 490 t., Burma 333.52 t., Hongkong 255 t.

Production of copra in November amounted to 13,046 t.—2807 t. from estates and 10,239 t. (est.) from smallholdings. Local consumption by oil mills came to 11,569 t. Stocks on estates at the end of November totalled 1368 t.

Coconut production in November was 13,046 long tons (Oct. 14,957 t.), 2807 t. being from estates and 10,239 t. from smallholdings. The total for the eleven months was 137,419 t. (estates 35,615 t. and smallholdings 101,804 t.), compared with 122,937 t. for the twelve months of 1949 (estates 36,957 t. and smallholdings 85,980 t.).

Stocks of coconut oil at the end of November came to 1329 t. and of coconut cake to 242 t. Production figures showed 11,569 t. treated, 6312 t. of coconut oil expressed and 4101 t. of coconut cake (Poonac) manufactured, 67 mills being in production. The October production figures were 13,427 t., 7320 t. and 4805 t. respectively.

Palm Oil & Kernels

Imports into the Federation of palm oil in November came to 21.75 tons from Sumatra, as compared with 1.01 t. in October; imports of kernels came to 8.99 t. from Sumatra, none having been imported previously in 1950 or in 1949. Total imports of palm oil for the eleven months of 1950 amounted to 511.37 tons as against 32.71 t. for the year 1949.

Exports of palm oil for November amounted to 3937.1 tons (Oct. 5555.23 t.). Exports for the Jan./Nov. period came to 49,277.82 t. (year 1949 52,100.22 t.). Exports of kernels for the month were 1318 t. (Oct. 460.72); exports for eleven months were 8670.76 t. (year 1949 9091.63 t.). For the first time a quantity of palm kernel oil was shipped amounting to 263.77 tons, going to the U.S.A.

Palm oil exports went to Singapore 2592.64 t., the United Kingdom 1273.17 t. and Italy 71.29 t. Kernels went to Singapore 612.03 t., Denmark 240.7 t., Germany 200 t., Sweden 165.27, and the Netherlands 100 t.

Tea

Imports of tea into the Federation during November totalled 332,893 lbs. valued at \$424,932, consisting of black tea 325,450 lbs. at \$413,807 and green tea 7443 lbs. at \$11,125, (October total 235,803 lbs. at \$312,828). Imports of black tea came from: Singapore 207,441 lbs. at \$277,257, Java 62,849 lbs. \$66,143, China 20,483 lbs. \$21,171, Ceylon 16,500 lbs. \$31,273, Sumatra 13,677 lbs. \$11,109, India 2000 lbs. \$4030, United Kingdom 1000 lbs. \$1339, British Countries in Africa 1500 lbs. \$1485; imports of green tea were from: Singapore 5843 lbs. \$9534 and China 1600 lbs. \$1591.

For the period Jan./Nov. 1950, the quantity imported totalled 3,444,056 lbs. valued at \$4,218,994.

Tea exports for November were 221,290 lbs. to the value of \$237,306 (October 172,225 lbs. at \$196,116). These exports consisted mainly of black tea, only 10 lbs. of green tea valued at \$15 being sent to Thailand. Exports went principally to: United Kingdom 61,081 lbs. at \$70,961, Egypt 45,500 lbs. \$45,500, Thailand 43,955 lbs. \$36,948, Singapore 21,886 lbs. \$33,205, Germany 20,380 lbs. \$20,380, the Netherlands 16,990 lbs. \$16,990.

Labour

At the end of December 1950, 175 trade unions were on the Federation Trade Union Register; the registration (Continued on Page 218)

ECONOMIC OUTLINE OF MALAYA

The commercial importance of Malaya came in the first place from its geographical position. The Malaya Peninsula which includes the Federation of Malaya and the Colony of Singapore is the southernmost part of continental Asia. Its central position in South-east Asia is clear from the following figures for air-distance from Singapore:—Colombo 1485 miles, Madras 1574, Calcutta 1581, Rangoon 1038, Bangkok 777, Saigon 596, Hongkong 1048, Manila 1295, Darwin 1820, Djakarta 484.

In this position, Singapore and to a lesser extent Penang became centres for the collection and distribution of raw materials and manufactured goods. They lie on the main trade routes between the East and the West and their entrepot trade from very early days extended as far as China in the east and Ceylon and India in the west. The establishment of trading ports greatly facilitated development of Malaya's rich natural resources in agriculture and mineral ores. Proximity to plentiful sources of labour in southern China and India also played a large part in its rapid development.

The Federation of Malaya is made up of the States of Johore, Pahang, Negri Sembilan, Selangor, Perak, Kedah, Kelantan, Perlis and Trengganu and the Settlements of Penang and Malacca. The Colony of Singapore includes Christmas Island and Cocos Islands. These two territories, each with their own separate governments, along with Sarawak and North Borneo, and the Sultanate of Brunei come within the coordinating and advisory sphere of the Commissioner-General. The total area of Malaya is about that of England excluding Wales.

The climate of Malaya is distinguished by its uniform temperature, high humidity and heavy rainfall. There is not the excessively high temperature of many tropical and sub-tropical areas; nor are daily or seasonal variations very marked. The climate is healthy, and the medical services effectively keep in check the virulent tropical diseases.

Population

The Malaysians, the people of Malaya, are chiefly of the Malay, Chinese and Indian races. The estimated population on 30th June, 1949 was 6,065,645 including 21,925 Europeans. The Malays, who are the indigenous race, predominate in the rural areas and small villages, where they are chiefly engaged in fishing and in the cultivation of rice, rubber and food crops. In the Malay States, particularly, they provide the larger number of Government officers.

The Chinese are in the main a business community and their versatility and keen business acumen have contributed much towards Malaya's pre-war prosperity and post-war rehabilitation. Eminently successful as traders, shopkeepers and industrialists, the Chinese

also own a considerable number of mines and rubber estates. The Chinese labourer in the tin mine and rubber estates and the Chinese vegetable grower are an essential part of the Malayan economy.

A large proportion of the Indian population are labourers employed on rubber estates, but in the towns many enterprising Indian merchants have trading and commercial establishments. All races and nationalities take part in the public life of Malaya, and have shown themselves apt in adapting themselves to modern industrial processes.

Natural Resources

Of Malaya's natural resources, rubber and tin are by far the most important. Other principal products are rice, pineapples, copra, coconut oil, palm oil and fish, and to a lesser extent, such crops as arecanuts, tapioca, tea, sago and derris, and minerals such as kaolin, limestone, dolomite, bauxite and iron ore. There is also a variety of jungle produce such as gum, damar, resins, jelutong, rattans and gambier.

In the Federation of Malaya the natural resources of power widely used for industrial purposes are coal produced by the Malayan Collieries and electricity provided by the newly created Central Electricity Board and the Perak Hydro-Electric Power Company. Singapore being small in area and essentially a trading centre does not itself possess any significant natural resources and its electric power is generated from imported fuel.

Rubber:—Despite the attempts by the terrorists to interfere with rubber production during 1949, the total production of rubber for the year was 670,257 tons, compared with 696,978 tons in 1948. The reduced production as compared with 1948 was in small-holding production, the estate total for 1949 being very nearly the same as in the previous year. The figure was the second highest ever recorded in Malaya and it reflects great credit on the staff of rubber estates who have been working under very great difficulties.

Production by estates of 100 acres and over was 400,009 tons, and the balance of 270,248 tons was the estimated production of small-holdings and estates of less than 100 acres. Corresponding figures for 1948 were 402,907 tons and 294,071 tons, respectively.

The total shipments of rubber from Malaya were 899,212 tons. The imports of rubber into Malaya amounted to 220,141 tons, of which 146,972 tons were from Indonesia.

Pineapples:—Further progress was made during 1949 in the re-establishment of the pineapple canning industry which had been virtually extinguished owing to the neglect of canneries and plantations during the Japanese occupation of Malaya. There are now

more than 16,000 acres planted with this crop; 5,000 acres are owned by the canning interests and the remainder by small-holders. There are at present six canneries operating under licence and further improvement to their plant has been made by additional introductions of automatic processing machinery. Due to the shortage of fruit, the canneries cannot yet operate to capacity but conditions should improve in 1950 when considerable new areas of fruit will come into bearing.

The gross export of canned pineapple in 1949 was 298,276 cases, valued at \$6,307,169 as compared with 145,581 cases in 1948.

The bulk of the 1949 pack was again sold to the United Kingdom Ministry of Food at agreed prices.

Tin Mining and Smelting:—Malaya is the largest tin ore producing country in the world. Its production is still below that obtained in some pre-war years; but the steady progress of rehabilitation of the war-damaged mines, despite delays in obtaining mining plant and equipment and terrorist attacks on mines, can be gauged by the production figures. In 1949, 54,910 tons of tin-in-ore were mined as compared with 44,831 tons in 1942 and 80,651 tons in 1940.

Tin ore is smelted at two large European works, one situated at Singapore, and the other at Penang. Most of the ore is produced in Malaya; but some is imported from the neighbouring countries of Indonesia, Siam, Burma and French Indo-China. Imports in recent years, however, have not attained their pre-war scale.

Palm Oil and Palm Kernels:—Rehabilitation of oil palm estates continued during 1949 and production of palm oil and kernels increased to 50,561, and 10,459 tons respectively. These figures compare favourably with the highest pre-war annual production of 57,972 tons of oil and 10,172 tons of kernels.

The Ministry of Food continued to buy the majority of the palm oil produced, at the contract price of £82 per ton f.o.b. Malayan ports.

Coconut Products:—During 1949, producers continued to obtain high prices for their products. There was a production of 36,957 tons of copra on estates during 1949 plus an estimated 85,980 tons produced on small-holdings. Exports of copra during 1949 were 89,325 tons, an increase of 30,283 tons over 1948. Imports of copra into Malaya during the year totalled 113,749 tons.

Exports of copra have not regained the pre-war level mainly because of increased production of coconut oil for local consumption and export. The total export of coconut oil during 1949 amounted to 61,226 tons.

Commerce

Merchandise into and from Malaya flows through the three main ports, Singapore in the South, Penang in the North-west, and Port Swettenham which lies midway between Penang and Singapore.

Singapore and Penang are the "free ports" of Malaya and, in addition to the handling of goods moving to and from Malaya, they have their important functions as entrepot ports. Owing to their geographical positions, Singapore and Penang are the natural collecting centres for the produce and raw materials of neighbouring countries; and they distribute to the same territories the inward trade received at these ports from Europe, India, China, America and Australia.

The Singapore water front is a mirror of this entrepot trade, where in addition to ocean vessels one can see all types of Malaysian craft from big ocean-going junks to the tiny *perahus* of the Rho traders. Picturesque Bugis vessels arrive laden with nutmegs, mace and cloves of Macassar, Moluccas and Celebes, pepper from Lampong and Muntok, together with the spices of Bali and Lombok. A large proportion of this produce is handled by lighters and is taken to the various private warehouses on the Singapore River where the merchants process, grade and re-pack the produce which is finally exported by ocean-going vessels to the world's markets.

Singapore in 1949 handled 71 per cent of Malaya's direct imports and 63 per cent of the total exports. Penang is the entrepot port for the merchandise which flows to and from Northern Malaya, Southern Siam, Lower Burma, and North Sumatra.

During the year 1949 the total trade in merchandise into and from Malaya was £410,337,208, representing: Imports £214,644,733, and Exports £195,692,475. These figures show that Malaya's trade has returned almost to pre-war level and compares favourably with 1938. Malaya has again shown an adverse trade balance but, if consideration is given to the fact that during 1949 the imports remained at a high level both in volume and in price, whereas during the same period the value of exports was affected by the overall low price obtained for its large shipments of rubber, its trading position can be again said to be satisfactory.

Perhaps the significance and extent of Malaya's trade will be more appreciated when one remembers that during the years 1937/1940 Malaya's total trade was more than the total trade of New Zealand or the Union of South Africa, or all the African colonies put together, and only slightly less than Australia's. During the year 1949 with its exports of over £54 millions to U.S.A. and Canada, Malaya has been the chief earner of gold dollars for the sterling bloc.

The principal manufactured articles imported during 1949 were cotton piece-goods and sarongs; cigarettes; chemicals, drugs, dyes and colours; iron and steel and manufactures thereof; machinery; liquid fuel, motor spirit; motor cars (new), coal; lubricating oil and kerosene.

The principal exports from Malaya during 1949 were rubber, tin, coconut oil, palm oil, sago (flour and pearl), canned pineapples, and copra. In addition there is a considerable volume of trade in the shipments of the entrepot merchandise particularly in the "Straits Produce" articles such as Pepper (black, white and long) (£3,050,369); Rattans (£498,856); Gums (£424,153); Jelutong (£330,763); Tapioca (flake and flour) (£138,302); Coffee (raw) (£1,184,318); Nutmegs (£196,357); Gambier (block, cube and round) (£91,710); and Gutta Percha (£187,665); the figures in brackets being total values of the respective commodities exported during 1949.

Industries

Malaya's development as a primary producer and as a trading centre has far outpaced its industrial development. It has relied on imports for the bulk of its requirements of manufactured goods. Some important industries have, however, been established for many years and in the post-war period several new industries are being organised. Industries may be classified under two main categories:—(a) those using raw materials produced in Malaya and neighbouring territories; and (b) those dependent on imports of raw materials other than those locally produced.

The principal industries are rubber milling, tin smelting, coconut oil milling, soap manufacturing, pineapple canning, saw-mills, rattan works, brick works, ice works, glass manufacture and the grading and treatment of miscellaneous produce. In addition there are the long established Malayan Arts and Crafts or "cottage industries" of hand-woven sarongs, silverware and pewterware.

Rubber Milling:—This industry is organised for the purpose of converting wet and low grade rubber collected from neighbouring territories into grades of crepe rubber acceptable to principal consuming countries. The mills are centred in Singapore and Penang.

Tin Smelting:—Two large tin smelting companies in Malaya—one situated in Singapore and one in Penang—without reaching their full capacity handle between them almost the entire production of tin ore in Malaya and also the bulk of the tin ore from Southern Siam. These companies produce a very highly-purified tin metal known as "Straits Tin" which is renowned throughout the world.

Coconut Oil and Soap Manufacturing:—The high prices created by the present world shortage of coconut oil has stimulated competition in the production of coconut oil, and several new mills

have commenced operation in the post-war period. Shortage of supplies of soap in several countries has encouraged an export business in soap of Malayan manufacture, large quantities of which are now being shipped to the Middle East. This industry has chiefly developed in Singapore but there are several factories in the Federation of Malaya.

Rattan Works:—There are many varieties and grades of rattans and these are processed by washing bleaching and grading. As the different consuming countries have each their own particular type of rattan, the grading has been developed into a highly skilled process from many years experience of market requirements. In addition to the treating of rattans for export, an important industry of the cottage type is the manufacture of furniture, baskets and many other miscellaneous articles. These manufactures are adapted for local requirements. The rattan works are chiefly in Singapore.

Saw-mills:—There are many saw-mills in Malaya and they cater partly for local consumption and partly for export. Timber is collected from Malayan forests and from Indonesia, Borneo and Siam. The saw-mill industry is of considerable importance in Singapore, where they are all Chinese-owned. The mills supply most of the teak wood for the manufacture of furniture, an industry traditionally famous for its skilled artisans. The design of furniture has been a special feature of Malaya especially Singapore where a house may be entirely furnished by the local makers.

Fishing:—Fish is the chief source of protein for the peoples of Malaya. But because it is a peasant industry it takes eight times as many men to catch a family's fish as it does in the U.K. The Chinese grow carp in ponds; as they only breed in China, the young fry must be transported and this is now done by air. To develop the industry further, a school is being planned to train fishermen in the use of mechanical gear, two research laboratories are being planned and experiments in fish-canning are being made, and yarn is being imported direct from Lancashire for the spinning of twine for nets.

The sea is a provider of shells for ornaments, of prawns, of sea-slugs, seaweed for making agar-agar, coral for burning to make lime, and each year 25,000 tons of mixed small fish are caught by nets with fine meshes specially designed and all this for making pig and poultry-food and fertilizer for the ground.

Rubber Manufactures:—There are several canvas and rubber shoe factories established throughout Malaya and there is a large manufacture of bicycle tyres in Klang, Kuala Lumpur and Singapore. A large variety of rubber goods are manufactured chiefly for local consumption.

The principal industries using imported raw materials are engineering and foundry works, asbestos, concrete and steel piping industries, breweries, biscuit factories, commercial gases, paint works, building and construction. The production of these industries is confined to local requirements.

Shipbuilding and Repairs:—Shipbuilding and repairs play an important part in the industrial development of Malaya. The Singapore Harbour Board has now the latest equipment for dry-docking ocean liners as well as small coasters. It has extensive wharf and godown facilities where goods in transit may be stored without the expense in transportation to warehouses outside the wharf area. Penang also provides similar facilities. Besides the Singapore Harbour Board there are several shipbuilding yards in Singapore where overhauls to boilers and engines are undertaken under expert supervision of engineers. In addition there are firms of consulting engineers experienced in all aspects of engineering and conversant with local conditions.

Building and Construction:—Although Malaya suffered comparatively little damage to buildings during the war, there is still an acute shortage of homes for the ever increasing population. The post-war years did not see much development in housing due mainly to shortage of materials especially cement. There are many practising architects in nearly every big town in Malaya and as soon as the supply position eases more and more buildings will be erected and domestic appliances can be expected to increase. The Singapore Improvement Trust has already completed many dwellings, and the Housing Report has urged big schemes of re-building and re-planning.

Timber Industry:—Malaya is a richly forested country. About 75 per cent of the total area is still under forest of which 23 per cent is reserved forest under the direct control of the Department of Forestry. There are over two hundred sawmills capable of producing about 350,000 tons of sawn timber a year. Much of the outturn of these mills is absorbed locally but there is a large surplus available for export. The United Kingdom is one of Malaya's best customers and in 1949 over 17,000 tons (of 50 cubic feet) were shipped to London and Liverpool. Other important markets are Hongkong, Arabia, Aden, India, Pakistan, Iraq, Mauritius, South Africa and Australia. Total exports in 1949 exceeded 66,000 tons. Timber exported to the United Kingdom is graded under the Malayan Grading Rules by Government Timber Inspectors. Many different species of hardwoods are produced, the most important being *Keruing* (*Dipterocarpus* spp.) and *Meranti* (*Shorea* spp.).

New Industries:—Factories which are being established in Malaya produce aluminum ware, glass, metal boxes, dry batteries, plastics, and fine pottery. In general, there is considerable scope for further industrial development in Malaya.

Batu Arang Coal-field:—The words *batu arang* mean "charcoal stone" in Malay, and the small town of Batu Arang, which lies in the centre of Malaya's only known coal-field of importance, is in the State of Selangor, some 28 miles from Kuala Lumpur, the Federal Capital. The coal measures cover an area of about 5 square miles. Coal production started in 1915 and up to the end of 1949 about 12 million tons had been extracted. The maximum annual output was 780,000 tons in 1940.

Three other occurrences of coal have been found; but coal has been won from only one of them. That field produced 23,500 tons in four years and then proved to be unpayable.

The principal consumers are railways, electric power-stations and tin-dredges, and any interruption to their fuel-supply has a very serious effect on Malaya's economy. This has happened since the war, but in 1948 and 1949 all demands by consumers were met by a production of 375,460 and 386,898 tons respectively.

The erection of a cement works with a capacity sufficient to supply Malaya's total requirements, using Batu Arang coal, is under consideration. Malayan Collieries Ltd. is actively interested in the investigations, and a suitable site has been selected alongside a source of limestone, a few miles from the Colliery.

The importance of Batu Arang to Malaya's industry cannot be exaggerated.

Communications

Malaya is very well served both externally and internally by sea, air and telegraphic communications. The rail and road communications compare favourably with other countries. Internal telegraphic and postal systems connect up all the towns and villages of Malaya.

As Malaya trades with nearly every country in the world, ocean-freight and passenger vessels maintain a frequent service to all main ports with regular lines to the east through the Pacific, to the south to Indonesia and Australia, and to the west to India, Africa, Europe and America. In addition to the shipping required for foreign trade, the important local trade by sea with coastal ports in Malaya and with Indonesia and Siam, is served by well established and efficient local shipping companies, and local craft.

As a result of the international air traffic passing through Singapore Kallang Airport, Malaya is now connected by regular air services with the United Kingdom, Europe, the Middle East, India, Pakistan, Ceylon, Burma, Siam, Indonesia, Australia, New Zealand, French Indo-China, the Philippines and Hongkong.

Within Malaya, airports are situated at Kuala Lumpur, Penang, Ipoh, Taiping, Alor Star, Kuantan and Kota Bahru. Air services operate between Singapore, Kuala Lumpur, Penang, Ipoh

and Taiping twice daily, and three times weekly between Singapore, Kuantan, Kota Bahru and Alor Star. These services are maintained by a local Company, Malayan Airways Limited, which commenced operations shortly after re-occupation with three Airspeed Consuls, and now possesses a fleet of seven DC 3 aircraft.

In addition to the internal services, Malayan Airways Limited also operate twice weekly services to Sarawak, North Borneo and Indonesia, and weekly services to Burma, Siam, and French Indo-China. A fully equipped maintenance unit is operated by the Company at Kallang Airport, Singapore, where local personnel are being trained as aircraft engineers.

Currency and Banking

The monetary unit is the Malayan Dollar, the value of which was fixed at 2s. 4d. (sterling) a dollar on 29th January, 1906. The currency is issued by a Board of Commissioners of Currency and the notes are fully covered by a Currency Fund of which at least twenty per cent must be in liquid form. The circulation of currency as at 1st December, 1949 was as follows: Notes: \$402,915,054.25, Coins: \$30,761,738.36.

There are good facilities for all forms of banking and exchange and the following banks have their establishments in most of the main towns and cities throughout Malaya:

The Ban Hin Lee Bank, Ltd., The Bank of China, The Banque de l'Indochine, The Chartered Bank of India, Australia & China, The Eastern Bank, Ltd., The Hongkong and Shanghai Banking Corporation, The Indian Bank, Ltd., The Indian Overseas Bank, Ltd., The Kwangtung Provincial Bank, The Kwong Lee Banking Co., Ltd., The Lee Wah Bank, Ltd., The Mercantile Bank of India, Ltd., The National City Bank of New York, The Netherlands Trading Society, The Overseas Union Bank, Ltd., The Netherlands India Commercial Bank, The Oversea-Chinese Banking Corporation, The Sze Hai Tong Banking & Insurance Co., Ltd., The United Chinese Bank, Ltd., The Chung Hsiauw Bank, Ltd.

RUBBER ESTATES OUTPUTS

Outputs from the Rubber Companies for which A. R. Burkill & Sons, Ltd., are Secretaries &/or General Managers:

	Output for Jan., 1951	Total this Financial Year to date lbs.
Bute	68,000	68,000 (1 mth.)
Consolidated	103,800	103,800 (1 ")
Dominion	61,800	61,800 (1 ")
Kota Bahroe	69,000	518,000 (7 mths.)
Sungei Duri	72,500	520,500 (7 ")
Shanghai Pahang	29,700	308,600 (7 ")
Padang	25,500	221,909 (9 ")
Shanghai Kedah	119,491	441,301 (4 ")
Tanah Merah	78,630	819,560 (10 ")

BUSINESS REPORT ON SINGAPORE AND MALAYA

LEGAL AND CONSTITUTIONAL SYSTEM

The British legal system, as modified by local conditions, is in force, directly in the crown Colony of Singapore and indirectly in the Federation of Malaya. The head of the Government of the Colony of Singapore, which includes the Island of Singapore, the Cocos-Keeling Islands, and Christmas Island, is a Governor appointed by the British King. In addition, there are an Executive Council and a Legislative Council, with some elected members.

The system of government is similar to that obtaining in all crown colonies. Legislation may be effected by acts of the British Parliament, orders of the King in Council, and ordinances of the Legislative Council. The Governor convokes and terminates sessions of the Councils, initiates legislation, and gives his assent or vetoes bills, or reserves them for decision in London. The King has the right of veto on the ordinances of the colony. For practical purposes the administration of ordinary affairs, subject to the direction of the Governor in matters requiring submission to him, is carried on in Singapore by the Colonial Secretary of the colony.

The Federation of Malaya embraces the States of Johore, Pahang, Negri Sembilan, Selangor, Perak, Kedah, Kelantan, Perlis, and Trengganu, and the Settlements of Malacca and Penang. The Settlements are directly under the jurisdiction of the High Commissioner. The States are under the legal sovereignty of Malay rulers, who, however, are bound by a Federation Agreement to accept the advice of the High Commissioner, appointed by the British King, in all Government matters except those relating to the Muslim religion or Malay custom, immigration, and others defined in the Federation Agreement and by specific agreement with the United Kingdom. A federal constitution became effective on February 1, 1948, setting up a Central Government and, under it, State and Settlement Governments. Under this constitution, the Central Government comprises the High Commissioner, a Federal Executive Council, and a Federal Legislative Council, to pass laws on matters of common interest as set out in a schedule. Power to legislate on any subject not included in the schedule rests with the State or Settlement Governments. Bills require the assent of the High Commissioner and the rulers, and the High Commissioner is vested with certain reserved powers "in the interests of public order, public faith, or good government." The greater part of the Federal Legislative Council consists of nominated members representing the various economic and racial interests.

Because of the constitutional changes, a process of codification of the laws is under way in the Federation. Before the war, the legal struc-

ture varied in the then political entities, namely, the Straits Settlements, the Federated Malay States, and the Unfederated Malay States. For example, in the Settlements, of which Penang and Malacca are now in the Federation, the English law of contract applied, while in the States of Perak, Negri Sembilan, Selangor, Pahang, and Johore (the first four then constituting the Federated Malay States) the law of contract was based on the Indian Contract Act. In the other States, there was no express provision relating to contract, though in general the courts had recourse to English law on the subject. English law will continue to apply in the Settlements, while the law formerly applied to only five States will be extended to include all of them.

For most purposes, the laws affecting commerce, finance, and trade are identical in the Colony of Singapore and the Federation of Malaya. A notable exception is the customs duties of the Federation, which do not refer to imports into Singapore, still in many respects a free port.

RIGHTS OF ALIENS

No legal provisions restrict the rights of foreigners to do business or to be employed in Malaya. Employment opportunities for aliens in Malaya, however, have generally been very limited. Nearly all the larger companies are British, employing their own nationals as executives and technicians, and native labor for tasks of lower grade. A few foreign firms maintain branches in Malaya.

LAND OWNERSHIP

Alienated land in Singapore is held direct from the Crown, either by lease or grant. From the present owners, land may be purchased outright or leased. Land suitable for factory sites is available at present in both the municipality and in the rural districts. Leaseholds covering long periods are frequently acquired for factory sites or other industrial uses.

All land in the Malay States not held under title vests in the ruler. Certain lands are reserved exclusively to Malays. The Malay Reservations Enactment prevents their alienation for other purposes. Title under the Land Code conveys only surface rights, the State retaining all rights in minerals below the surface. The ruler may issue prospecting licenses and permits, and lease State land for mining purposes for such periods and on such terms as he may desire. Land alienated under the Land Code may be resumed for mining purposes, against the will of the proprietor, by the "Ruler of the State in Council" on payment of compensation. Intensive prospecting for minerals was discouraged by the Government after 1929 and a strict limitation was instituted on the wholesale alienation of land for mining purposes.

EXCHANGE & FINANCE

The basic unit of currency in Malaya is the Straits or Malayan dollar, which is linked to the pound sterling at 2 shillings 4 pence. (£7 equals S\$60.) The equivalent of the Straits dollar in United States money is 32.667 cents. (US\$1 equals S\$3.06122.)

The investment of foreign capital is regarded favorably by the local governments. Potential investors should, however, consider the difficulties with which they would be confronted with regard to remitting profits. While the stated policy of the authorities is freely to grant foreign exchange representing legitimate profits, especially to manufacturers or exporters whose goods have earned dollars for the sterling-area dollar pool, this policy is flexible and subject to change, depending on the financial position of the sterling area. Each application for remittance is carefully scrutinized by the Exchange Controller to determine whether the amount involved represents a fair and valid profit or dividend on the business does. Books of account must generally be submitted for inspection in such cases, and a reasonable taxable profit would have to be shown on the company's local operations before remittances could be approved. In the event a foreign company wished to liquidate its original capital investment, or subsequent addition thereto, approval for such action might be difficult to obtain.

No specific regulations with regard to remittances of profits abroad are published defining in detail the position of foreign interests organized to do business locally. Relevant policies at any given time are subject to regulations or orders emanating from London, as well as to the appraisal and judgment of particular cases by the Controller.

The burden of proof is always on anyone desiring to remit payments abroad. All applications to remit or remove exchange from Malaya are considered to involve the export of capital unless the applicant is able to show that his case falls within certain exempted classifications. Such cases may roughly be defined as those involving: (a) The reasonable requirements of a trade or business carried on in Malaya; (b) reasonable travelling or other personal expenses; and (c) compliance with contracts made before September 13, 1939, the date when exchange controls were introduced. The definition of what may be included in the permitted classifications has been receiving a progressively restrictive, even prohibitive, interpretation. Remittances abroad are drastically curtailed as a result of interpretation, rather than of revision, of the Finance Regulations.

Exchange Control Regulations

The following brief analysis of the Finance Regulations in force in Malaya is not exhaustive, but gives the main features. Exemptions may be granted by the exchange control authorities from any of the regulations, either by modifying their general application or by making an exception of any particular case.

Currency and gold.—

1. All transactions in foreign currency or gold may be effected only with authorized dealers.

2. Import or export of notes, including Bank of England notes, which are, or have ever been, legal tender in Malaya, is prohibited, unless covered by specific exemption.

3. Import of notes, which are, or have ever been, legal tender in any territory specified by control authorities, is prohibited, unless covered by specific exemption.

4. Export of bank notes, postal orders, gold, securities, or local or foreign currency is prohibited, unless covered by specific exemption.

5. Control authorities are authorized to determine the manner in which, and the terms on which, authorized dealers and banks may or shall acquire and dispose of foreign currency or gold.

6. All existent resident holdings and future acquisitions of gold and of foreign currencies must be sold immediately to authorized dealers or banks at prices determined by control authorities.

Securities.—

1. In the absence of an exemption, importation is prohibited of any document of title to sterling securities, i.e., securities requiring, or in respect of which there is an option, that the principal, interest, or dividend be payable in sterling.

2. The following is prohibited in the absence of exemption: Any transaction in securities in which a resident outside the sterling area has any interest or which involves (a) the acquisition by such a person of any interest in a security; (b) the transfer of any security from a register within the sterling area to one outside it; or (c) the substitution for any security which is either in or registered in the sterling area of any security which is either outside or registered outside the sterling area. These prohibitions apply as well to similar transactions in any document of title to securities or any coupon representing interest or dividends of securities.

3. Any payment, or drawing or issuing of any bill of exchange or promissory note for the purpose of redeeming or repaying in whole or in part, or as a consideration for the surrender, of any security to a resident outside the sterling area is prohibited unless specifically authorized.

4. New capital (security) issues (including any financial transaction involving debt charges for more than 6 months, such as shares, stocks, bonds, notes, debentures, debenture stocks, or mortgages), or any renewal or postponement of the date of maturity of any security must be approved by control authorities.

5. Control authorities are authorized to prohibit the sale, transfer, or creation of any charges, on, or to require the sale to the Government of, securities marketable outside British territory in southeast Asia. The Government may dispose of documents of title to these as it deems expedient.

Payments.—

1. The following is prohibited without special authorization: Drawing, issuing, or negotiating any bill of exchange or promissory note, acknowledging any debt or making any payment so that a right (actual or contingent) to receive payment (a) is created or transferred in favor of a resident outside the sterling area; or (b) is created or transferred in favor of such person as a consideration for (or in association with) the creation or transfer, in favor of any person, of a right (actual or contingent) to receive a payment or acquire property outside the sterling area.

2. Only a banker (of the Malayan Exchange Banks Association), acting in the course of his business, may make any payment to or draw or issue any bill of exchange or promissory note in favor of a resident in the sterling area by the order, or in behalf, of a resident outside the sterling area.

3. Stringent control and supervision are exercised by exchange control authorities to assure that payments for exports are made to residents in Malaya in the prescribed manner, generally before the lapse of 6 months.

Special and blocked accounts.—

1. Control authorities are authorized to set up special accounts, into which payments are made to the credit of residents of any territory with which no agreement regulating payments is in force, and to determine the rate of exchange with that territory's currency.

2. Control authorities are authorized to set up blocked accounts in favor of any person, such account being subject to close supervision by said authorities.

Transfer of property.—

1. Disposition or transfer of property, except by will, whereby a resident outside the sterling area will have an interest therein, or exercise any power with respect to such property, is prohibited without special authorization.

2. Transfer of any trade, business, or undertaking by any corporate body in Malaya to a resident outside Malaya

is prohibited without special authorization.

In essence, any financial transaction involving persons or property in the sterling area with persons or property outside the sterling area, irrespective of whether it is by direct or circuitous method, is rendered unlawful under these regulations unless expressly licensed by the exchange control authorities, whose discretion, as indicated in orders and instructions, is decisive.

Control of imports and exports.—In general, import control authorities determine the classes and volume of the goods which may be imported and the exchange control authorities, the manner and terms on which payment may be made.

Malayan export control regulations require licenses for most articles exported and confer on the control authorities "absolute discretion" to issue general and special export licenses, to impose the terms and conditions to which they are subject, and to cancel or revoke them.

A license is required for all imports entering Malaya and Singapore.

Bank accounts of foreign nationals.—Under Malayan foreign exchange control, residents of the United States and other "American Account Countries" are permitted to maintain bank accounts in Malaya in Straits dollars with the prior approval of the Exchange Control Office. Deposits to such accounts are subject to approval of the authorities. Remittances from abroad may be made to Malaya through banks without prior approval. Overdrafts, whether clean or secured, in the accounts of nonresident individuals are normally not allowed, as is the case with respect to nonresident companies who do not maintain a branch office with capital or assets in Malaya.

Travelers' funds.—Travelers to Malaya are not restricted in the amount of funds they may take with them in the form of foreign currency, traveler's checks, traveler's letters of credit. Such instruments may be negotiated by banks at official rates, but reconversion of any excess drawing to foreign currency requires exchange control approval.

BUSINESS ORGANIZATION LAW

Companies incorporated outside Malaya may establish a business in Malaya either by incorporating a subsidiary company in accordance with the terms of the Companies' Ordinance Number 49 of 1940 (hereafter referred to as the Ordinance), or they may establish a branch office pursuant to the requirements contained in the section entitled "Companies Incorporated Outside Malaya Carrying on Business in Malaya." A partnership, association, or sole proprietorship of foreign nationality may also be estab-

lished in Malaya subject to the regulations contained in the section entitled "Partnership, Association, or Sole Proprietorship."

Companies Incorporated in Malaya Under the Companies Ordinance

A company under English law connotes a business enterprise which has been incorporated pursuant to law. The Ordinance of 1940 governing corporations is based on the Company Law of England originally enacted in 1929; with the exception of certain amendments, the latter is still in force. Although the Ordinance refers only to the Colony of Singapore, the same provisions apply to the Federation. The law contains nothing to prevent the formation of any type of profit-seeking enterprise by a foreign national conforming to the laws and not in violation of public policy and morals. The law governing partnership, based on the Indian Contract Act in the Malaya States, follows the lines of English law on this subject.

Public companies.—Three types of public companies may be incorporated under the Ordinance, i.e., (a) "a company limited by shares," (b) "a company limited by guarantee," and (c) "an unlimited company." A company limited by shares is one in which liability of members is limited to the unpaid amount on the shares respectively held by them. A company limited by guarantee is one in which the liability of members is limited by a specified amount undertaken by them. An unlimited company has no limit on the liability of the members, resembling a general partnership in this respect.

Private companies.—Private companies are distinguished from public companies. They may be limited or unlimited. A private company (a) restricts the right to transfer its shares; (b) limits its membership to 50 (not including employees); and (c) prohibits any public subscription to its shares. Such company could consist of only two persons and may have only one director.

Forming a company.—If not a private company, at least seven persons must subscribe their names to a memorandum of association and comply with the other requirements. This memorandum must state (a) the name of the company; (b) where the registered office of the company is to be situated; and (c) the objects of the company. A company limited by shares must include in the memorandum a statement of its limited character, of the amount of share capital with which the company is to be registered, and the division thereof into shares of fixed amount. No subscriber may take less than one share and must write the amount he takes opposite his name. A company limited by shares may incorporate its articles of association with the memorandum or these may be separate. However, it is mandatory for a company limited by guarantee

or for an unlimited company to have separate articles of association registered prescribing the regulations for the company. The requirements which must be fulfilled both in the memorandum and in the articles referred to are given in the Ordinance.

Registration.—The memorandum and articles must be delivered to the Registrar of Companies in the city where the registered office of the company is to be located, or, if the city has no registrar, to the Registrar in Singapore or Kuala Lumpur. A certificate of incorporation is required from the Registrar to show that the law has been complied with.

Prospectus.—The prospectus issued in connection with the formation of a company financed by selling shares must be registered with the Registrar of Companies. Where no prospectus is issued a statement in lieu of one must be so registered. The required information to be shown, including the amount to be raised by the sale of shares, as well as all charges and liabilities of various types, must be given in the full detail indicated in the Ordinance.

Liability of members.—The memorandum and articles when registered bind the company and its members to the same extent as if they had been signed and sealed by each member and contained covenants on the part of each member, his executors, and administrators to observe all of the provisions. Liability is imposed on both present and past members. A past member is required to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities, and costs, charges, and expenses of winding up, unless he has ceased to be a member for at least 1 year, and unless the amounts payable result from contracts instituted after his period of membership, and unless, by ruling of a court, the existing membership does not need his contribution. However, in the case of a company limited by shares no contribution is required exceeding the amount unpaid on the shares of the member. Investors in an unlimited company are bound by greater liability than that imposed on the average stockholder of an American corporation.

Directors and managers.—Each registered company, if not a private company, must have at least two directors. The law has provisions enabling the Registrar of Companies to pass on the suitability of any prospective director. An undischarged bankrupt person may not act as manager or as a director without consent of the court. The acts of a director or manager shall be valid notwithstanding any defect later discovered in his appointment or qualification. A register of directors or managers is required stating, among other things, their nationality. A limited company may have directors with unlimited liability. However, the status, liability, and functions of a

director or manager are, in general, similar to those under United States corporation law.

Registration of charges.—All charges upon assets, undertaken by a company registered in Malaya or by a foreign company referring to property held in Malaya, must be registered within 21 days with the Registrar of Companies and, in certain cases, a register of charges must be kept at the registered office of the company for the inspection of any creditor or member of the company.

Share capital and debentures.—The shares or other interest of any member in a company is considered personal (or movable) property within the meaning of the Ordinance, transferable in the manner provided by the articles of the company except insofar as such transfer is restricted or prohibited by the Finance Regulations (Exchange Control Regulations).

Supervision by exchange control authorities.—The consent of the Controller of Foreign Exchange is required for any capital issue or for any change affecting the charges or liabilities of all categories of any company issuing securities. Subdividing securities into smaller denominations or consolidating them into larger denominations, without such consent, is specifically permitted, provided there is not involved the subscription of new money or other change in the rights or liabilities attaching to such securities.

Management and administration.—A company organized pursuant to the Ordinance shall have, inter alia, a registered office in the colony and its location shall be reported to the Registrar of Companies. The words "Registered Office" must appear, together with the name of the company, outside every office or place of business.

Where a company having share capital has issued a prospectus inviting the public to subscribe for its shares, the company may not commence business or exercise borrowing power unless (a) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less than the required minimum subscription; and (b) every director of the company has paid to the company, on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, an amount equal to the proportion payable, on application and allotment, on the shares offered for public subscription; and (c) there has been delivered to the Registrar for registration a statutory declaration that the aforesaid conditions have been complied with. A register of members must be kept, containing certain prescribed particulars with respect thereto. This register shall be made available for inspection by members during certain business hours without charge, and by others upon payment of a fee of 50 cents or less.

Annual return.—A return of a company having share capital is required at least annually, containing a list of persons who, on the 14th day after the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return. The names and addresses of all such members must be stated, together with the number of shares held, and, in accordance with the form set out in the Ordinance, the return shall state the address of the registered office of the company and contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, specifying such particulars as the amount of the share capital and the number of shares into which it is divided, the number of shares issued, the amount called up on each share, the total number of shares forfeited, particulars with respect to the directors of the company, and other pertinent data as prescribed by the Ordinance. A copy of the last audited balance sheet of the company shall accompany said return.

Every company not having share capital is also required to file a return in every calendar year stating the address of the registered office of the company, and all such particulars concerning directors as are required by the Ordinance. A statement of the condition of the company must be annexed to this return.

Meetings.—A general meeting of every company shall be held every calendar year, and every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than 1 month nor more than 3 months from the date at which the company is authorized to commence business, hold a general meeting of the members of the company. Such a meeting is known as "the statutory meeting."

Books of account.—The Ordinance provides that every company "shall cause to be kept proper books of account in the English language with respect to (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (b) all sales and purchases of goods by the company; (c) the assets and liabilities of the company." The account books must be kept at the registered office of the company and shall at all times be open to inspection by the directors.

Profit and loss account and balance sheet.—A profit-and-loss account and balance sheet, containing full details as specified in the Ordinance, shall be prepared and presented to the annual general meeting. The balance sheet shall also contain particulars with respect to subsidiary companies, if any.

Auditors.—Every company shall at each annual general meeting appoint auditors to hold office until the next annual general meeting, provided each auditor has obtained the written authority of the Colonial Secretary to serve. The duties, liabilities, and rights of auditors are prescribed in detail in the Ordinance.

Inspection.—The Colonial Secretary may appoint inspectors to investigate the affairs of a company and to report thereon (a) in the case of a banking company, on the application of members holding not less than one-third of the shares issued; (b) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued; or (c) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members. When the Colonial Secretary deems that there are good reasons for such an inquiry, all officers and agents of the company must produce to the inspectors all books and documents in their custody or power and, if required, must testify under oath concerning the business of the company.

Dissolving a company.—The liquidation of a company may be either (a) by the court, (b) voluntary, or (c) subject to the supervision of the court. The procedure and methods for dissolving a company are set out in detail, including the duties, liabilities, and powers conferred on liquidators and receivers, the general powers of the court, and the rights and preferences of creditors.

Companies Incorporated Outside Malaya Carrying on Business in Malaya

Companies incorporated outside Malaya which establish a place of business within Malaya shall within 1 month from the establishment of said business deliver to the Registrar for registration "(a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company....; (b) a list of directors of the company, containing such particulars with respect to the directors as are by this Ordinance required to be contained with respect to directors in the register of the directors of a company; (c) the names and addresses of some one or more persons resident in Malaya authorized to accept on behalf of the company service of process and any notices required to be served on the company."

In the event alterations or amendments are made in the charter, statutes, or memorandum and articles of a foreign company, or any change is effected in respect of the directors of the company or in relation to any particulars contained in the list of the directors, or if the names or addresses of the persons authorized to accept service are altered, the company shall, within the prescribed time, register with the registrar a return containing such changes and/or alterations.

Every such foreign company is required to prepare and submit annually in general meeting a balance sheet containing the identical particulars as are required of companies formed under the Ordinance. A copy of the said balance sheet shall also be delivered to the Registrar.

A foreign company shall, in every prospectus inviting subscriptions for its shares or debentures in Malaya, state the country in which it is incorporated. Moreover, it is required to conspicuously exhibit its name and its country of origin to be stated in legible characters in all bill-heads and letter paper, and in all notices, advertisements, and official publications. If the liability of the members is limited, this fact must also be made known in the manner specified.

With respect to the issue of any share capital of a company incorporated outside Malaya, the Ordinance specifically provides that it shall be unlawful for any person to issue or distribute a prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Malaya, whether the company has or has not established a place of business in Malaya, unless a copy of the same, certified by the chairman and two other directors of the company and signifying approval by resolution of the managing body, has been delivered for registration to the Registrar. The prospectus must state on its face that the copy has been so delivered; it must be dated and must comply in all other respects with the provisions of the Ordinance. Further, it shall be unlawful for any person to issue to anyone in Malaya a form of application for shares or debentures of such a company or intended company as aforesaid, unless the form is issued with a prospectus which complies with this part of the Ordinance.

The terms and provisions of the Finance Regulations apply to the foreign incorporated company doing business in Malaya to the same extent and in the same manner as they affect domestic companies.

The provisions of that part of the Ordinance relating to charges created and property subject to charge acquired by a company incorporated outside Malaya are also specifically applied.

Partnership, Association, or Sole Proprietorship

A firm, according to the interpretation given in the Business Name Ordinance (1940), is an unincorporated body of two or more individuals, or one or more individuals and one or more corporations or two or more corporations who have entered into partnership with one another with a view to carrying on business for profit. An "individual" is defined as a natural person and does not include a corporation; a "person," on the other hand, includes a corporation.

The provisions of the Business Names Ordinance require registration, under the Ordinance, of (a) every firm having

a place of business in Malaya and carrying on business under a business name which does not consist of the true full names of all partners, both individuals and corporations, without any additions; (b) every individual carrying on a business in Malaya whose business name (sole proprietorship) does not consist of his true full name without any addition; and (c) every individual or firm having a place of business in Malaya who, or a member of which, has either before or after the passing of the Business Names Ordinance, 1940 changed his name (except in the case of a married woman).

Every firm or person required under the Business Names Ordinance to be registered is required to furnish to the Registrar within 14 days after commencement of business, a statement in writing, in the prescribed form, containing the following particulars: (a) The business name; (b) the general nature of the business; (c) the principal place of business; (d) where the registration to be effected is that of a firm, the present name (in full), any former name, the nationality and race, and, if that nationality is not the nationality of origin, the nationality of origin, the usual residence, and the other business occupation, if any, of each partner, and the corporate name and principal office of each corporate partner; (e) in the case of an individual registration, present name (in full), the nationality and race and, if that nationality is not the nationality of origin, the usual residence, and the other business occupation, if any; (f) in the case of a corporate registration, its corporate name and registered or principal office and the names and nationalities of its directors; (g) the date of the commencement of the business.

Proceedings to terminate partnerships are carried out according to the articles of partnership agreement in the event of voluntary dissolution and, in the event of bankruptcy, under court supervision according to bankruptcy law.

The liability of partners under the laws of the Colony of Singapore and the Federation is virtually the same as the liability of partners under United States law. Persons of foreign nationality are not precluded from forming a partnership or engaging in trade as a sole proprietor. All partnerships, however, consisting of more than 20 persons are prohibited.

TAXATION

Income Tax (National)

The Income Tax Ordinance, 1947 (Colony of Singapore Ordinance No. 39 of 1947) became effective on January 1, 1948. A similar ordinance (No. 48 of 1947) came into force in the Federation of Malaya on December 16, 1947. The administration of the Income Tax Ordinance is vested in the Malayan Board of Income Tax, the duties and powers of the Board being defined in detail in the Ordinance.

Taxable income includes "the income of any person accruing in, derived from or received in" the Colony or Federation, whichever is the case, "in respect of (a) gains or profits from any trade, business, profession, or vocation, for whatever period of time such trade, business, profession, or vocation may have been carried on or exercised; (b) gains or profits from any employment (including not only wages, salaries, and other specified forms of earnings but the value of any food, clothing, or lodging provided or paid by the employer as well); (c) the net annual value of land and improvements thereon used by or on behalf of the owner or used rent free by the occupier, for the purpose of residence or enjoyment, and not for the purpose of gain or profit; (d) dividends, interest, or discounts; (e) any pension, charge, or annuity; (f) rents, royalties, premiums, and any other profits arising from property.

The income of certain designated persons is exempt from tax, including, among others, the official emoluments of the Commissioner-General, the Governor, the rulers of the various Malay States, salaries of officials representing foreign governments, and various types of pensions.

Where a nonresident person carries on a trade or business of which only part of the operations is carried on in Malaya, the gains or profits of the trade or business shall be deemed to be derived from Malaya to the extent to which such gains or profits are not directly attributable to that part of the operations carried on outside Malaya.

A nonresident person operating ships or aircraft is liable for the full profits deemed to accrue in Malaya, arising from the carriage of passengers, mails, livestock, or goods transported. Exemption from tax is granted in case an equivalent exemption from tax is granted by the country in which such person is resident in Malaya.

"Statutory" income is computed on the basis of the full amount of income for the year preceding the year of assessment from each source of income possessed by the taxpayer at any time during the year of assessment, notwithstanding that any such source does not produce income during the year of assessment. In order to ascertain the statutory income of any person, there shall be deducted all outgoings and expenses wholly and exclusively incurred by such persons in the production of the income, including, in part, (a) interest paid on capital employed in acquiring the income, (b) rent paid on land or buildings occupied for purposes of acquiring the income, (c) expenses incurred for repair of premises, plant, machinery, or fixtures employed in acquiring the income, or for the renewal, repair, or alteration of any implement, utensil, or article so employed, and (d) bad debts.

Where, in or after the basic period for the first year of assessment, a person carrying on a trade, profession, or business incurs capital expenditure for

machinery or plant, there shall be made to him for the year of assessment in the basic period for which the expenditure is incurred, an allowance, to be known as an "initial allowance," equal to one-fifth of that expenditure. An initial allowance equal to one-tenth of capital expenditure is allowed on the construction of an industrial building or structure occupied for the purpose of trade.

A person using machinery or plant receives, with respect to the year of assessment, an allowance, to be known as an "annual allowance," for depreciation of those assets. The allowance is calculated at prescribed rates, and is computed on the reducing value of the asset, which shall be the original cost reduced by any initial allowance and by the former annual allowances. An annual allowance is made equal to one-fiftieth of the capital expenditure incurred in the construction of an industrial building or structure.

"Assessable income" is the statutory income less any loss incurred during the year of assessment in any trade, business, profession, or vocation, less any loss similarly incurred in any such trade, business, profession, or vocation during any of the 6 years preceding the year of assessment which has not been allowed against his statutory income of a prior year and less an amount in respect of gifts to approved public institutions.

"Chargeable income" of any person is the remainder of his assessable income after deductions of personal allowances. In the case of an individual resident in Malaya there is allowed a deduction of \$3,000. Additional deductions are: \$2,000 for a wife and \$750 for the first child, \$500 each for the second and third child, and \$300 each for the fourth and fifth child. As these personal allowances apply only to individuals, the "assessable income" and "chargeable income" are identical in the case of companies, associations, partnerships, and "persons" other than individuals.

The rate of tax payable on the chargeable income of individuals is as follows:

Individual taxable income-increment (strait dollars)	Rate on increment (percent)
For every dollar of the first	500 3
For every dollar of the next	500 4
Do.	500 5
Do.	500 6
Do.	1,000 7
Do.	2,000 8
Do.	2,000 10
Do.	3,000 12
Do.	5,000 15
Do.	35,000 20
For every dollar in excess of 50,000	.... 30

The company tax rate is 20 percent on the chargeable income, provided that where any company proves that any dividends have been paid out of such chargeable income, an amount equal to such dividends may be charged at a lower rate or not charged with any tax as the Comptroller of Income Tax shall determine.

The amount of the tax will be increased by 5 percent in case of failure to pay within the prescribed time. In the event of failure to pay the increased tax within 1 month after notification by the Comptroller, the tax will be recoverable by suit and the defaulting taxpayer will be liable to prosecution. In addition, in the case of nonpayment of tax by any person who carries on the business of ship or air transport, the Comptroller of Customs is empowered to refuse clearance to any ship or aircraft.

Other Taxes

Land tax.—The chief source of revenue for the Municipality of Singapore is derived from the tax on land. All buildings and land located in the municipality are taxed according to the terms and provisions of the Municipal Land Tax Ordinance of 1913, as amended. Buildings, including the land, are assessed on the basis of their annual rental value. In the case of rented property, the landlord is allowed from 6 to 8 percent on his capital investment, the remainder of the gross rent receipts constituting the annual rental value. Where the owner of the property occupies the buildings, the annual rental value is calculated on the basis of the estimated amount which would be collected were the premises leased to another person. Improved land is taxed as a single unit.

The rates of taxes vary yearly depending upon the exigencies of the city's finances. The basic rate of tax for 1950 is 25 percent of the annual rental value to which is added 2 percent for educational purposes and 2 percent for improvements, making a total of 29 percent. In addition, a surcharge of 2½ percent is imposed.

The method of assessing unimproved or vacant land for tax paying purposes is also based on annual value, but is arrived at by estimating the cost price in the open market in the year of assessment. Five percent of that amount is then taken to determine the assessed annual value upon which the land tax is levied. The basic tax is the same as that imposed on improved property, together with the aforesaid additions and surcharge of 2½ percent.

Land located in the rural districts (outside the municipal limits) is administered by a Rural Board. The basic rate of tax on lands in these areas is fixed according to a sliding scale, the present one ranging from 15 to 20 percent of annual rental values. The tax is calculated in the same manner as the tax on the lands located in the municipality—improved and unimproved—except that the basic rate applied would be pursuant to the aforesaid scale. The additional amounts for educational and improvement purposes, as well as the 2½-percent surcharge, are also imposed. The tax on rural areas varies according to locality, which is the yardstick used in determining the basic rate. Outlying lands without water supply are taxed at the minimum rate.

Machinery and equipment used for production purposes are exempt from taxation. In other words, only the factory itself would be subject to tax on the basis of its annual rental value minus machinery (even though permanently affixed to the building) provided the latter is actually used for production purposes.

Stamp tax.—A stamp tax is imposed on certain instruments and documents, such as affidavits, contracts, conveyances, bills of exchange, bills of lading, bills of sale, securities, and receipts, the rate of tax depending upon the type of document and/or the amount involved.

Import duties.—Singapore and Penang are classified as free ports. In recent years, however, an excise duty has been levied on intoxicating liquor, tobacco, and petroleum products. Excise duties are payable only on release of the goods from bond for consumption. The Federation of Malaya (except Penang), on the other hand, levies import duties on a number of commodities, in addition to the excise duties on the commodities mentioned above. For some commodities two duties are applicable, a preferential duty being levied on the quantities obtained from British Empire and Commonwealth sources. A first registration fee of 20 percent ad valorem is charged on the value of a motor vehicle or traction engine unless such equipment has been manufactured in the Commonwealth, British dependent or protected or mandate areas, or Burma.

Export duties.—Except for duty on rubber produced in Malaya, there are no export duties or taxes in the Colony of Singapore. In addition to this cess, in the Federation of Malaya, export duties on a number of commodities, including tin and rubber, are levied. There are no preferential export duties.

GOVERNMENT AND BUSINESS

Under the Colonial Development and Welfare Act of 1945, effective April 1, 1946, £5 million were made available to Malaya to be used for economic development, and additional sums are contemplated over the next few years. To receive funds under this act, plans must be submitted for review and approval by the United Kingdom Secretary of State for the Colonies. In addition, a Colonial Development Corporation, with a capital of £100 million, has been formed for the purpose of assisting economic development within British territories. Direct investment by private enterprise is desired, and assurances are given that foreign capital will receive treatment just as favorable as capital from local sources or from the United Kingdom.

Public Utilities

Public utility services are in general owned by governments or municipalities in Malaya in accordance with an expressed policy to prevent private monopoly. Public electricity has been supplied entirely by the Government in the States of Perlis, Kelantan, Trengganu, Pahang, Selangor, and Johore,

and in four of the five towns served in Negri Sembilan. In the State of Perak, centre of tin mining, the Government operates a considerable portion of the power system. Essential development schemes have been drawn up, and operation initiated on some, to alleviate the present power shortage. When in full operation these will more than double the present Government capital investment by 1951.

In May 1949 was established a Central Electricity Board of the Federation of Malaya, a corporation, under the control of the High Commissioner, for the purpose of constructing and operating an integrated electricity scheme and to ensure an adequate supply of electricity, especially from hydroelectric sources. The Board controls the generation, distribution, and supply of all electricity intended for sale throughout the Federation.

Malayan Railway

The Malayan Railway, the only railroad and a vital artery of transportation, is owned and operated by the Government. Early in 1948, legislation was enacted setting up the Malayan Railway Administration as a corporation, and a Railway Board was established to assist the general manager in the administration of the Railway.

Malayan Rubber Fund

The Intergovernmental Rubber Agreement of 1934 was terminated in 1944, but various agencies organized under it in Malaya remained in operation on a voluntary basis, with Government support. To foster rubber research and the development of new uses for natural rubber an export tax (or "cess") of 0.25 Straits cent per pound was charged with the proceeds paid into the Malayan Rubber Fund, administered by the Controller of Rubber. In 1947 the Governments of the Federation and of Singapore appointed a Malayan Rubber Advisory Committee to report on matters of policy concerning the rubber industry in Malaya. As a result a program for the years 1949 to 1953 was set in motion, referred to as the Malayan Rubber Fund Five Year Plan. In addition to this program, the Malayan Rubber Fund has agreed to finance a program of publicity for natural rubber in the United States.

Government Assistance to Tin Mining

The disrupting effect of the war made it necessary for the Government to come to the aid of the tin-mining industry. This took the form largely of cash loans and advances against compensation claims. The Government also has provided machinery for Chinese mines on a repayment basis. The Chinese miners have been assisted by the Chinese Tin Mines Rehabilitation Loans Board, set up in early 1947, which works in close association with the Mines Department. Aid to European-owned mines has been furnished from two sources—the Ministry of Supply in London, working in conjunction with the Colonial Office, and the Industrial Rehabilitation Finance Board.

This Board has also approved grants to companies mining other minerals than tin.

Trade Marks

The Trade Marks Ordinance, 1938, patterned after the Trade Marks Law of the United Kingdom, is in effect in the Colony of Singapore, and in Penang and Malacca. Pending legislation will establish a uniform law for trade-marks throughout the Federation of Malaya, which will be substantially the same as under British law. Under this legislation, the Registrar of Trade Marks, appointed by the High Commissioner, will maintain a register in which trade marks are registered giving full details of the status and ownership. The register is divided into two parts, "Part A" and "Part B." Distinctive marks, or those previously registered in part A in the United Kingdom or in the colony, are registrable in part A. Any mark legitimately in use in Malaya for at least 2 years, or those previously registered in part B in the United Kingdom or in the colony, are registrable in part B. The new legislation will provide, during a transitional period, for registration in the Federation of trade marks registered in the Colony of Singapore. A schedule is to be maintained of those trade-marks not registrable unless registered in the United Kingdom. Only "Textile piece goods, yarns and threads" appears on this schedule. Nothing contained in the legislation indicates that any distinction is made as to the nationality of applicants for registration.

LABOR LEGISLATION

Labor legislation in Malaya must be considered against the general background of that country's complex population structure. The labor force consists mainly of Malays, Indians, and Chinese. The population of Singapore is predominantly Chinese, who speak a variety of Chinese dialects. Several languages are spoken by the Indian population. Among the laboring population, few will be found who speak even a few words of English, and few of the non-Malay laborers know more than 50 words or so of Malay. Employers are thus faced with great difficulty if they desire to deal direct with their laborers. Even trade union leaders seldom speak English.

In general, the Chinese prefer piece work, while the Indian laborers work more satisfactorily on day work. The Indian laborers outnumber all other races on the estates and in Government work, but very few enter the mines and factories. The Chinese outnumber all others in the mines and factories and are very well represented on the estates, but largely avoid Government employment. Malays are well represented on the estates and in Government positions, but only a few enter the factories and mines.

Legislation, provides for a 9-hour working day but, broadly speaking, the 8-hour day is in operation throughout Malaya in both public and private employment. Extra pay for overtime is

prescribed by the labor legislation, which also provides for a 6-day week. Before the war it was the normal practice of most Chinese employers to provide food for their workers. The post-war shortages have inevitably made a change in this, but a fair number still provide one meal. Others buy rice at the open-market prices and sell to their employees at the official price. Housing accommodations are also provided by a large number of employers. One of the minor difficulties with which employers have to cope arises from the fact that the different races have varying rest days and holy days.

It is difficult to estimate labor costs with any accuracy since, as elsewhere, they vary widely according to the nature of the employment. In 1948, a skilled worker employed in Singapore as a molder in the engineering trade was paid from S\$25 to S\$40 per week (averaging 51.56 hours of work), while laborers or unskilled workers in the same industry received from S\$18 to S\$24 a week. Wages in the Federation were for these categories S\$5.80 to S\$8 per day and S\$1.40 to S\$2.50 per day, respectively. Office workers in Singapore in the clerical and stenographic category were paid on the average from S\$270 to S\$320 monthly.

There is no form of social insurance in Malaya. Proposals for the formation of a committee to study a social security scheme were turned down by the Federal Legislative Council in November 1948. Few unions have any provision for unemployment pay or sick benefits. The Workmen's Compensa-

tion Ordinance of Singapore provides for various benefits and allowances, excluding therefrom those whose wages exceed a stated amount, which is amended from year to year.

The Labor Ordinance of Singapore empowers the Commissioner of Labor to hear and decide disputes between laborers and their employers concerning advances of goods or money wages, or the keeping of accounts. He is also empowered to make orders in such cases, which have the force of a judgement of a local district court.

It is the policy of the Federal Government to stimulate the formation of strong trade unions and subsequently federations of trade unions on an industrial or occupational basis. It is also considered desirable that there be organized employers' organizations, but employers have been very slow in forming employers' associations. The use of arbitration methods in settling disputes has so far found little favor, especially among the Chinese, with either employers or employees.

The post of Trade Union Adviser in Malaya was set up in April 1946 to assist in the peaceful and democratic development of the trade union movement. The functions of this department are primarily educational, but it has also been called upon to assist both unions and employers in the settlement of disputes. Labor Advisory Boards were formed in March 1947 to advise the Governments on labor matters, and industrial courts and wage councils were set up.

FINANCIAL MARKETS

HONGKONG FREE EXCHANGE & GOLD MARKET

GOLD:—Highest & lowest prices of last week per .945 fine tael \$327¼—318½, equiv. to .99 fine tael and oz prices of resp. \$342.83—333.66 and \$284.90—277.28. Crossrates US\$46¾ high, 46½ low.

Macao and Canton prices per .99 fine tael \$333—324 and \$333—322 respectively. Hongkong prices were about 3% above Macao and Canton. In the latter city an active though illicit business is daily transacted.

Highest & lowest rates per .945 fine tael of gold and per US\$100 for TT New York:—

	Gold		US\$	
	high	low	high	low
9	\$327	319	598	595
10	320½	318	598	594
12	322	318½	602	597
13	324	320¼	606	600½
14	324½	321¾	605½	602
15	326	321¼	608	603½
16	327¼	324¼	608½	601
17	326¾	324	610	608

Macao imports were heavy and further contracts are being signed. During the Chinese New Year holidays 80,000 ozs were unloaded in Macao; last week's cif Macao contracts totaled almost 2 tons and were closed at US\$45.40—45.85 per fine oz. Exports from here to Far Eastern destinations were profitable as

prices abroad were much higher than in Hongkong (about \$20—25 per tael difference). But smuggling is risky and premiums for getting gold out of the Colony and into other ports, where import embargoes on bullion remain in force, are rising.

Total interest during the last two trading weeks (actually two days in the previous, and six days last week, plus two Sundays which are counted for purpose of interest computation) remained in favor of sellers and amounted to \$1.63 per tael of .945 fine (approx. 13.2% p.a. on investment of 'marginal holders'). Total forward contracts during the 8 trading days: 317,600 taels (average per day 39,700). Position taken averaged 101,800. Cash bars: 69,920 taels of which amount 51,000 changed hands among interest hedgers, 18,000 exported, 900 melted down by ornamental trade. Export destinations: 4500 taels to India, 5200 to Bangkok, 6000 to Singapore, 1300 to Indochina, 1000 to Indonesia. Imports: 22,500 taels (18,000 from Macao, 4500 from Manila). Differences for .99 fine export bars (to be paid on top of .945 fine tael price) from \$15.20—15.50, and for .97 fine bars \$6.50.

Hedging in gold has become very popular and many merchants with spare cash invest their funds in the gold forward market. So does the People's Govt of China by instructing its agents here, notably the native bank

of Pao Sang, to buy gold, store it and sell forward daily thus earning the change-over interest (last week's Pao Sang purchase amounted to 100,000 taels both actually overbought and hedged forward).

US\$:—Highest & lowest rates per US\$100, for notes HK\$604¼—594, DD 607—594¼, TT 610—597, equiv. to crosses (at the 1s. 3d. parity) of US\$ 2.622—2.68 (below official cross 4¼—6.3%). Sales for the 8 days trading period (Feb. 9—17) US\$1,450,000 in TT, and US\$1,300,000 in DD and notes.

Rates were firm as local demand rose following the improved outlook in Korea and hopes for increased US imports into Hongkong. The war in Korea has, once again, turned in favor of the UN forces and it is hoped everywhere that this time the Chinese communists will not recover from the defeat. There are signs that the US embargo, imposed on all shipments to communist China, will be reconsidered as far as Hongkong's own requirements are concerned and that consequently more American merchandise will be allowed to be shipped to this Colony. Boosting further free market US\$ rates there were more triangular exchange operations noticeable which took off the market larger US\$ funds. Holders were biding their time in the hope of seeing higher rates which fact brought about some scarcity in offers. Overseas Chinese remittances were sold in small amounts only, the season being over. Bangkok sold larger amounts which were mostly proceeds from gold imports from Hongkong.

Bank Notes:—In HK\$ per one hundred currency units: Piastres forward 12½, spot 13.10—13.80, Indonesian rupiah 38, Baht 26.70—27.10. Per 10,000 Japanese yen 145—149. Per one currency unit: Bank of England note 15.35—15.70, Australia 12.52—12.60, Canada 5.30—5.71, Malaya 1.75—1.77, India 1.12½—1.16½, Burma .87—88, Ceylon .96—98; Macao pataca 1.08; Philippine peso 1.63—1.66½; Taiwan yuan .34½—40; Chinese People's yuan 236—255 per one million.

Chinese Exchanges

The People's Bank quoted the official rates unchanged, £ Stg. at 62,350, US\$ at 22,890, and HK\$ at 3,880 (or HK\$ 257.73 per million). PB\$ notes quoted HK\$261—239¼ per million; total business done in the two weeks (5th—18th February) was 570 millions. PB\$ remittances with Canton quoted 236—227½, total business done in the two weeks (5th—18th February) was 360 millions.

With official rates unchanged, free market rates dropped as military news in Korea were compromising for Peking.

Hongkong \$ remittances with Canton quoted 1000—988 per 1000 in Canton, total business done HK\$210,000, Gold and US\$ remittances with Shanghai quoted 1010 and 925 respectively. Business very small and rates nominal.

Gold and US\$ remittances with Taiwan quoted 775—830 and 875—900 respectively. Some small business

(Continued from Page 207)

of 31 others,—one a federation,—was pending. The total membership of all unions and those pending registration was 61,627, an increase of 4,541 over the previous month's figure.

The report of the Labour Dept. for December shows that during the last quarter of 1950, plans for the construction of mines and estates for 1600 units of labourers' accommodation were approved; 74% of these were standard or above standard, 31% of these being semi-detached quarters.

During the month inspectors of the department paid 163 formal visits to estates, mines and other places of employment and 60 special visits to other places of employment.

Emergency Statistics

More bandits were killed in December than in any month since the beginning of the emergency. The figures for the month are as follows:

Bandits killed	76
Bandits wounded and escaped ..	54
Captured armed persons	21
Police killed (incl. special constables and auxiliary police) ..	45
Police wounded (incl. special constables and auxiliary police) ..	48
Civilians killed	49
Civilians wounded	32
Civilians missing	9

The above figures bring the total number of bandits killed since the campaign started to 1631, the total number of regular police, special constables and auxiliary police killed to 567, the total of police (including special constables and auxiliaries) wounded to 610, and the total of civilians killed to 1295.

According to a statement made by the Federation Secretary for Defence, the number of bandits under arms in the Federation is generally estimated as from 3000 to 5000. In the course of over 2½ years the bandits have been unable to bring under their control even the smallest area in the country. The bandit gangs which once operated in groups of 100 or more have been forced to split up into small parties under the pressure of security forces, which would explain the increase in the number of incidents occurring, often of a minor character.

Although the Briggs plan is somewhat behind schedule, it is nevertheless gathering speed as resettlement proceeds steadily and as additional staff for resettlement work becomes available. There is evidence that the resettlement programme is being successful in depriving the bandits of supplies and they are now having to fight for food and other supplies whereas before they were able to get what they wanted without fighting.

HONGKONG COMMODITY MARKETS

A point of interest in the past week, was the visit of a delegation from the HK Chinese Chamber of Commerce to the US Consul General in an endeavour to get the matter of cargoes for Hongkong straightened out. The delegation presented 459 inventories of shipments destined for Hongkong which had been off-loaded en route as a result of the US embargo, and expressed the hope that the goods might be released for despatch to the Colony or, in cases where this might prove impracticable, that an arrangement might be arrived at for the prompt repayment of margins paid on indents. The U.S. Consul General undertook to communicate with Washington after scrutinising the inventories to ascertain which of the cargoes were of a strategical nature and could not, therefore, be released.

The figures compiled in this connection by the Chinese Chamber of Commerce show that a total of 450 consignments of goods indented for by the Chamber's members is involved, valued at US\$2,004,703.88 or over HK\$12 million.

Of this total, 345 consignments, valued at US\$1,327,954.13 were off-loaded on the way here, and 114 lots, valued at US\$676,749.75, have not been allowed to be loaded for shipment. These figures do not include many consignments the inventories for which have not been submitted to the Chamber.

Cotton Yarn

The cotton yarn market saw a change towards the end of the week with exporters out of the market and factories holding back; buyers from China were also absent. The activity shown at the opening gave place to a lull, and on such transactions as took place prices showed a decline of as much as \$100 per bale in some instances. Stockholders, however, are of the opinion that a further rise is inevitable in view of an anticipated fall in imports from India as a result of that country's export controls. In spot transactions, Gokak Mills 20's fell to \$2090 per bale and selling offers were also received at \$2000, the Model Mills 20's sold at \$2000; Madura Mills 26's were quoted at \$2100 per bale and Peacock No. 610 at \$2000; 32's were quoted on the whole at \$2240/\$2280 per bale.

transacted. The Bank of Taiwan was selling gold to support their official rates of exchange.

Silver Market.—Bars quoted at HK\$ 6.07—6.04 per tael, Chinese dollar coins at 3.86—3.84 per coin, and 20 cents coins at 2.96—2.95 per 5 coins. Total business: 125,000 taels in weight. Tendency of the market was steady.

Cotton Piece Goods

The rise in the price of cotton piece goods on the local market caused Singapore merchants to return some shipments to the Colony in the expectation of obtaining a higher price for them, thereby affecting sales to Indonesia and other neighbouring countries. The Singapore Government has accordingly restricted the re-export of textiles to Hongkong. The lull in trading which marked the New Year holidays continued for the greater part of the week. Towards the close, however, Philippine dealers came into the market and as Shanghai coloured cotton cloth was conspicuous by its absence owing to the export prohibition in China, they were obliged to take low-priced Indian grey sheeting to be processed in the Philippines. Sales were effected of 42" 40 yds. Indian grey sheeting at \$74 per bolt and of 36" 40 yds. at \$64 per bolt. Prices at the close were: Grey sheeting, ABC \$82 per bolt, Butterfly & Globe \$84, Green Mammoth \$81, Mammoth Bird \$85, Prosperous \$88. Japanese 2023 fell to \$83 and 2024 to \$88 per bolt. White cloth, Double Swan was quoted at \$86 per bolt, Three Peaches stood at \$90, No. 1000 at \$92, Japanese 2003 sold at \$86 per bolt.

Raw Cotton

Continual increases in the indent prices of raw cotton from Pakistan, together with the uncertainty of obtaining supplies from other sources, have caused a further rise in prices on the local market: NT-roller gin was quoted at \$4.50 per lb., LSS-r.g. was offered at \$4.55, 4F-r.g. was quoted at \$4.40, and 289 F-r.g. rose to \$4.60 per lb. Egyptian raw cotton was offered at \$4.50 per lb. and the Burmese product at \$3.90 per lb. Cotton waste sold at \$2.40 per lb.

Metals

Stronger demands by Canton merchants created some activity in the metals market at the beginning of the week, but the high prices attained before the New Year, combined with inadequate stocks to meet requirements, brought a decline in their interest towards the close. Mild steel round bars and mild steel plates alone showed activity, both items continuing strongly in demand: Mild steel plates 4"x8" 3/32" continued to sell at \$150/\$155 per picul (133.3 lbs.), while 1/2" sold at \$125; 3/16" to 1/2" were quoted at \$120 per picul. Mild steel round bars 40's 1/2" sold at \$110 per picul to Canton traders. Galv. iron sheets were in demand by Canton merchants, but the prices asked were considered too high for many transactions to take place: 3' x 7' G31 sellers quoted \$19 whereas buyers offered \$18.50, G26 was quoted at \$1.65 per lb. against counteroffers at \$1.50 and G24 was quoted at \$1.70 per lb. against counteroffers of \$1.60. Interest shown in zinc

sheets at the commencement sent up the price to \$750 per picul for G5 and \$680 per picul for G6.

Industrial Chemicals

The industrial chemicals market opened briskly with North China traders strongly in evidence, but dullness ensued upon satisfaction of their requirements. Japanese calcium hypochloride 60% was popular selling at \$3.25 per lb. but eventually falling to \$3.20; Hand-in-Hand sodium sulphide in 5-cwt. drums changed hands at \$850 per ton; US caustic soda in 700-lb. drums was sold at \$460 and 470 per drum; ICI Crescent brand caustic soda in 300-kilo drums fetched \$490 per drum; a later price being quoted at \$500. An arrival of ICI bicarbonate of soda, refined, did not affect the market on account of short supplies locally; sales were made at \$99 per bag. Japanese ammonia chloride was greatly in demand by Canton dealers and sales were effected at \$2400 per ton, though later sales took place at \$2340 per ton. Quebracho extract, spot, changed hands at \$1.81 per lb., with forward quoted at \$1.55 per lb. British sodium hydro-sulphite in 120-lb. drums sold at \$1230 per ton. Belgian zinc chloride in 1-cwt. drums was quoted at \$3500 per ton, out sales took place at the lower figure of \$3100 per ton. Sulphur powder rose from \$49 to \$58 per picul, being required by North China dealers.

Fertilizers

Information as to the expected arrival of a supply of ammonium sulphate in February/March caused a drop in prices, which had risen before the New Year. The recession was added to by recent arrivals which were originally intended for Swatow and Amoy but had been diverted to Hongkong in view of difficulties over importation to China. Large spot holdings estimated to amount to around 25,000 tons, made local dealers anxious to dispose of their goods in case the market should fall further. Closing prices were as follows: ICI Black Moon brand \$770 per ton for spot, Golden Coin brand 100-kilo bag \$800 per ton and \$700 March forward.

Rubber

The rubber market was quiet during the week. Very little trading took place and prices showed a downward tendency. The main transactions were in smoked rubber sheet No. 3 which though quoted at \$550 per picul (133.3 lbs.) sold at \$520; forward sales were at \$535. Mixed cuttings sold at \$444 per picul. B cuttings were offered at \$490. Sole crepe rubber (Java) was quoted at \$720 per picul and Singapore No. 2 at \$660.

China Produce

The market in vegetable oils started briskly with demands from the US and Europe but steadied towards the close as offers from abroad failed to improve. Unprocessed woodoil in bulk was quoted on the local market at \$255 per picul (133.3 lbs.) and processed at \$263. The European buying offer for teased oil 4% f.f.a. was raised to £320 per ton c. & f. High prices and scarcity of spot holdings, however, limited

transactions and at the close with buyers holding back the price fell to \$285 per picul. A drop in the demand from abroad steadied the price of aniseed oil 15 deg. at \$1350 per picul while cassia oil 80-85% c.a. fell to \$3000 per picul on some transactions. The price of rapeseed oil 4% f.f.a. fell to \$195 per picul.

With little demand from abroad and exporters holding back on account of high prices, dullness reigned in the cassia lignea market. West River cassia lignea 1st qual. in 1 cwt. bale was quoted at \$128 per picul f.o.b. and the 80 lb. bale at \$125, while the loose packing 2nd qual. was offered at \$117 per picul. Honan unscrapped cassia fell to \$171 per picul. Japanese traders having raised their offer for ramie, green, to US 35 cents per lb., transactions were brisk in the local market. Sales of Szechuen green ramie were effected at \$257 per picul and of the Hankow green ramie at \$243 per picul, while the West River product was offered at \$250 per picul. East River rosin was quoted at the higher price of \$64 per picul.

Heavy Indian demands for raw silk, following reduction of the duty into India on this product, and a low stock position in Hongkong caused a rise in price. Kwangtung 20/22 big filature silk was sold at \$3750 per picul, small filature 80/90 was quoted at \$2650 per picul. Cantonese No. 1 silk waste was offered at \$1150 per picul.

HONGKONG STOCK & SHARE MARKET

The market opened last week on a brisk note and the turnover has been the highest recorded this year. Towards the latter half interest appeared to dwindle somewhat but on the whole prices were well maintained and sellers were reluctant to part with scrip at lower rates. The undertone is steady. The Vibro Piling Co., Ltd. announced a dividend of \$1.25 free of tax for 1950.

Business reported during the week \$2,025,548. Business reported for January, 1950, \$4,589,411. Business reported for the 7th week 1950, \$765,071. Quotations of last week (closing) & highest & lowest rates for 1950 & Jan. 1951:

Stock	Closing February 16, 1951	Quotations January 16, 1951	Jan./Dec. 1950		January 1951	
			High	Low	High	Low
H.K. Government 4% Loan ...	\$98 sa.		\$100	\$96½	—	—
Do. 3½% " (1934)	\$95½ sa.		\$99	\$96	—	—
Do. 3½% " (1940)	\$95½ sa.		\$99	\$96	—	—
Do. 3½% " (1945)	\$95 B. \$96 sa.		\$100	\$95½	\$99	\$97½
Banks						
H.K. & S'hai Banking Corp.	\$1300 B. \$1300 sa.	\$1530	\$1120	\$1260	\$1180	
" London Register	X.D. £77½ nom.			£75¼	£75¼	
Chartered Bank of I. A. & C.	£9-11/16 nom.	£10/18/6	£10/16/-	—	—	
Mercantile Bank of India Ltd.	(A. & B. C.)			—	—	
Bank of East Asia, Ltd.	\$21¼ nom.			—	—	
	\$100 B.	\$112	\$100	\$110	\$107	
Insurances						
Canton Insurance Office, Ltd.	\$240 B.	\$325	\$230	—	—	
Union Insee. Socy. of Canton, Ltd.	\$655 B. \$660 s.			—	—	
	\$660 sa.	\$700	\$535	\$635	\$610	
China Underwriters, Ltd.	\$3 B.	\$3¾	\$3	\$2.80	\$2.80	
H.K. Fire Insurance Co., Ltd.	\$125 B.	\$215	\$135	\$125	\$125	
Shipping						
Douglas Steamship Co., Ltd.	\$150 nom.			—	—	
H.K., Canton & Macao Steamboat Co., Ltd.	\$15 nom.	\$15	\$13	\$15	\$15	
Indo-China Steam Navigation Co., Ltd. (Pref. \$1 shares	\$12 nom.	\$12	\$12	—	—	
(Def. \$1 shares	\$35 nom.	\$191	\$191	—	—	
Shell Transports (Bearer)	\$6¾ nom.			—	—	
Union Waterboat Co., Ltd.	\$18 nom.	\$20	\$18	\$18	\$18	
Eastern Asia Navigation Co., Ltd.	\$0.70 nom.	\$1.125	\$0.625	\$0.675	\$0.675	
Docks, Wharves & Godowns						
H.K. & K. Wharf & Godown Co., Ltd.	\$80 B.	\$115	\$65	\$82	\$71	
North Point Wharves, Ltd.	\$5¼ s.	\$6¼	\$4¼	\$4¼	\$4¼	
S'hai & Hongkew Wharf Co., Ltd.	\$5¼ nom.	\$7½	\$4¾	—	—	
H.K. & Whampoa Dock Co., Ltd.	\$12¼ B.	\$19	\$12½	\$12¼	\$12¼	
China Provident Loan & Mortgage Co., Ltd.	\$10.70 B. \$11 sa.	\$12½	\$8½	\$10½	\$9½	
Shanghai Dockyard, Ltd.	\$8 s.	\$9¼	\$2.10	\$3.20	\$3	
Wheelock Marden & Co., Ltd.	\$21½ sa.	\$33	\$19	\$19	\$17¼	
Mining						
Raub Australian Gold Mining Co., Ltd.	\$4.70 nom.			—	—	
Lands, Hotels & Buildings						
H.K. & Shanghai Hotels, Ltd.	\$6.85 B. \$7 s.	\$12.30	\$6	\$6¾	\$6.35	
	\$7/6.85 sa.					
H.K. Land Investment & Agency Co., Ltd.	\$38¼ B.	\$50	\$32½	\$35½	\$30	
S'hai Land Investment Co., Ltd.	\$1.70 s. \$1½ sa.	\$2.10	\$0.90	—	—	
Humphreys Estate & Finance Co., Ltd.	\$8 nom.	\$11	\$7½	—	—	
H.K. Realty & Trust Co., Ltd.	\$1.90 nom.	\$2.10	\$1.00	—	—	
Chinese Estates, Ltd.	\$109 nom.	\$130	\$139	—	—	
Public Utilities						
Hongkong Tramways,	\$12.30 B. \$12.60 a.	\$16½	\$10	\$12	\$10	
Peak Tramways, Ltd. (O)	\$22 nom.	\$22	\$22	—	—	
(N)	\$11 nom.	\$11	\$10¼	—	—	
Star Ferry Co., Ltd.	\$69 B.	\$93	\$63	\$70	\$68	
China Light & Power Co., Ltd.	(F. Pd.)	\$6 B.	\$15½	\$9	—	
(P. Pd.)	\$3.70 sa.	\$6¼	\$6	\$6.35	\$5.70	
(Bonus)	\$6 s.	\$11	\$6	\$6.10	\$3.30	
Hongkong Electric Co., Ltd.	\$25½ B. \$26 s.	\$31½	\$18	\$25	\$20	
Macao Electric Lighting Co., Ltd.	\$25¼/\$25½ sa.	\$23	\$9	\$9	\$9	
(O)	\$8¾ B.	\$9¼	\$9¼	—	—	
(N)	\$8¼ nom.	\$8	\$8	—	—	
Bonus	\$8 nom.			—	—	
Sandakan Light & Power Co., Ltd.	\$8¾ nom.	\$18¼	\$9¼	\$9¼	\$9	
Hongkong Telephone Co., Ltd. (O)	\$10¼ a. \$9¾ sa.	Rta.\$0.20	\$0.02	—	—	
(N)	\$9¼ nom.	\$10¾	\$9½	\$9.10	\$8¼	
Shanghai Gas Co., Ltd.	\$1½ nom.	\$½	\$1	—	—	

COMMERCIAL NOTES

South African Relaxation of Import Controls

A statement on import controls and allied matters issued by the South African Government on February 2, stated that as the total reserves of the Reserve Bank had reached nearly £165 million and in view of the shortage of various commodities a more liberal policy for the importation of essential raw materials was now possible. At the same time, whilst the state of international tension persisted, import control measures must be retained to be relaxed or tightened as circumstances permitted.

Some time ago the difficulties experienced in fulfilling orders due to the shortage of certain raw materials had been met by the issuance of letters of authority which were intended to cover all the essential raw materials available for shipment up to the end of June. Recently the problem of procurement had increased to such an extent it was now decided to grant quotas for such essential raw materials for the whole of 1951. A substantial percentage increase in the value of the letters of authority already held by importers would therefore be authorised.

In the case of capital equipment, importers would also be granted facilities for future ordering in the same manner as laid down for raw materials. All controls would be removed from textile piecegoods when purchased from soft currency countries, subject to an increase in ceiling prices. As far as consumer goods other than piecegoods were concerned, quotas equal to 20% of the 1948 imports had already been issued for the present year. Excessive imports of piecegoods were, however, unnecessary and also of "luxury" goods which, it was felt, the country's financial position could ill afford. Under present world conditions and in view of the uncertain future such extravagance

could not be justified. For this reason the "restricted list" would be retained and, if necessary, extended.

The statement further added that if the present favourable trends continued it might prove possible in the foreseeable future to switch the emphasis of control from the monetary to the distribution aspect. As a result of the present relaxation in import controls the reasonable needs of secondary industry would be met, and the quotas allowed for consumer goods showed that importers should be able to build up stocks.

Singapore Restrictions on Iron & Steel Re-Exports

As from December 6, 1950, the Singapore Government has prohibited the re-export to Hongkong of iron and steel, including scrap, brake fluid and hydraulic oils, and auto spare parts. It is explained that the prohibition upon re-exports of iron and steel has been imposed in order to conserve supplies needed for important government, municipal and private building projects.

Taiwan's Trade with Japan

According to figures released by the Board of Reconstruction in Taiwan, the total trade of the island with Japan from May to December amounted to US\$2,675,562.60. Imports came to US\$ 944,122.48 and exports to US\$1,731,400.12, showing an export balance of US\$787,317.64.

Taken month by month the figures are:—

	Imports US\$	Exports US\$
May	10,500.00	8,000.00
June	129,286.30	822,435.80
July	179,595.90	282,267.50
August ...	72,542.70	274,744.32
September .	126,037.73	317,462.50

October ...	279,861.08	23,130.00
November .	130,295.98	3,400.00
December .	16,792.79	(Barter system suspended)

Total ...	944,122.48	1,731,440.12
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Japanese Shipping

The recent arrival of the Fuji Maru, the first Japanese ship to call at Hongkong since the war, marks the beginning of a new era in Japan's foreign trade. The freighter is 5544 tons and carried a cargo of 4500 tons of cement.

According to Lloyd's Register of Shipping, the gross tonnage of Japan's merchant fleet in July 1950 was 1,871,000 tons, showing an increase of 307,000 tons over the figure for July 1949. Compared with 1939, Japan's shipping is down by 3,759,000 tons. Among the mercantile fleets of the world, Japan's comes tenth.

Commonwealth Plan for South & Southeast Asia

Details of the M\$16,000 million Commonwealth development plan drawn up at a meeting of the Commonwealth Consultative Committee on South and Southeast Asia in September 1950 in Colombo, show the allocation of M\$920 million to British protected and dependent territories, including M\$383 million for the Federation of Malaya, M\$454 million for Singapore, M\$44.6 million for North Borneo and M\$38.6 million for Sarawak. Other allocations include M\$11,820 million for India, M\$2,400 million for Pakistan and M\$874 million for Ceylon.

These programmes are considered the first steps which should be taken by the authorities in these countries to prevent

Industrials					
Green Island Cement Co., Ltd. ...	\$13 B. \$13 sa.	\$27½	\$7.90	\$12.30	\$10½
H.K. Rope Manufacturing Co., Ltd.	\$14½ sa.	\$16	\$12½	\$12½	\$11½
Stores, Etc.					
Dairy Farm, Ice & Cold Storage Co., Ltd.	(O) \$12½ B. \$13 sa.	\$15.10	\$9.60	\$12½	\$10
	(N) \$11¼ B.	\$13.80	\$11	\$11	\$9
		Rts. \$5	\$0.50		
A. S. Watson & Co., Ltd.	\$21 B. \$21½ sa.	\$50	\$20	\$20½	\$19½
Lane, Crawford, Ltd.	\$21 B.	\$26	\$18½	\$20	\$20
Sincere Co., Ltd.	\$3 B.	\$4.80	\$2.10		
China Emporium, Ltd.	\$9 B.	\$10.40	\$8½	\$9	\$9
Sun Co., Ltd.	\$1.90 B.	\$2½	\$1.70		
Kwong Sang Hong, Ltd.	\$98 nom.	\$108	\$79		
Wing On Co., Ltd.	\$43 nom.	\$62	\$42		
William Powell, Ltd.	\$8 nom.	\$8	\$8		
Miscellaneous					
China Entertainment & Land Investment Co., Ltd.	\$12½ B.				
H.K. Engineering & Construction Co., Ltd.	(O) \$2½ nom.	\$2½	\$1.90		
	(N) \$1.30 nom.	\$0.90	\$0.90		
Vibro Piling Co., Ltd.	\$9½ nom.	\$15	\$10		
S'hai Loan & Investment Co., Ltd.	\$0.60 nom.	\$1	\$0.70		
Yangtze Finance Co., Ltd.	\$1.90 nom.	\$5	\$2¼	\$2	\$2
Cotton Mills					
Ewo Cotton Mills, Ltd.	\$2.70 s. \$2.60 sa.	\$6.70	\$1.80	\$2½	\$2.20

HONGKONG LABOUR DEPARTMENT QUARTERLY REPORT

October - December 1950

General

The main item of interest during the quarter was the ban imposed by the United States on the export of raw materials to the Colony. This, coupled with existing and steadily increasing shortage of certain materials, and rapidly rising prices, has affected both large and small factories. The raw materials shortage is not yet acute but despite the fact that there has been slight lifting of the ban, local manufacturers are pessimistic about the future.

poverty, and to prepare the way for better nutrition, housing, education, and health of their peoples.

The six year programmes include the speeding up and broadening of work already planned and in progress in the countries.

When programmes are completed there should be in Southeast Asia another 13,000,000 acres of land under crops (an increase of 3½%); another 13,000,000 acres of land under irrigation (an increase of 17%); and an additional 1,100,000 kilowatts electric generating capacity (an increase of 67%).

Two small aluminium hollow ware factories are almost at a stand-still owing to lack of raw materials and many small factories are finding it financially difficult to keep going. Amongst the latter are many weaving and knitting concerns operating on a hand to mouth basis.

During the quarter many small knitting and weaving factories (some un-registerable) closed down and moved to China where, it is reported, living and production costs are lower. Many skilled weavers also left and in October and November there was a shortage of skilled female weavers. Several of the larger weaving sheds are now training young men weavers.

In many instances, the price of cotton yarn was the cause of closure. Small manufacturers accepted orders but could not fulfil them as they were unable to pay the high price for yarn after their small stocks were exhausted. The following prices are of interest.

Indian Yarn 20 counts.

June/July	\$ 700 per bale
October	\$1,700 " "
December	\$1,750 " "

Local Yarn 20 counts

April	\$1,200 per bale.
September	\$1,600 " "
October	\$2,200 " "
December	\$1,950 " "

Work of the Inspectorate.

Two of the women Labour Inspectors are attending the Royal Sanitary Institute Course for Sanitary Inspectors at

the Urban Council. They attend about 25 lectures and 10 half-days practical work a month and are to be congratulated on the amount of overtime and night inspections done to help keep the routine work of this department from falling into arrears.

A total of 3,306 visits was made during the quarter. Of these, 469 were in connection with industrial injuries; 137 were night visits in connection with the employment of women and young persons in prohibited hours and the investigation of complaints; 210 were visits to young persons in industrial undertakings and the remainder were inspections of factories and workshops for the enforcement of safety, health and welfare provisions.

Inspection of unregistered factories in the various squatters villages continues. Several have already closed down and others are preparing to do so. In one instance a factory involving both fire and health risks was found operating in a wooden hut after being closed down in a different part of the village. The proprietor is being prosecuted.

Young Persons

During the quarter 310 registered young persons were visited by the women Labour Inspectors. A total of 268 young persons reached the age of 18 years and were removed from the register. Twenty-four young persons were found and registered, bringing the total on 31.12.50. to 1,719.

Industrial Injuries.

A total of 149 (12 fatal) accidents involving 154 persons were reported during the quarter. Of these, 112 (5 fatal) were in registered and recorded Factories and Workshops.

Registration of Factories & Workshops.

One hundred and four applications were received during the quarter. Eighty-five registration certificates were issued and 38 were cancelled. Eight applications were refused and 27 unregistered factories and workshops found operating in unsuitable premises were found and closed down.

Chinese Products.

The 8th Exhibition of Chinese Products, sponsored by the Chinese Manufacturers Union, opened on 14th December 1950 and remained open until 4th January 1951. On show and for sale, were some fine examples of some of the goods manufactured in the Colony. Ranging from buttons to a diesel engine, they included food, drink, clothing, enamel and aluminiumware, perfumery and cosmetics, ivoryware, tooth brushes, needles, metalwares of all descriptions, mechanical toys and knitting wool.

Hongkong Industrial Report

Factory Registrations

Applications for registration of factories and workshops received by the HK Dept. of Labour during January 1951 amounted to 31,—9 on the Island and 22 in Kowloon and the New Territories; registration certificates cancelled totalled 13 (5 in HK. and 8 in K. & N. T.); 5 applications were refused (1 and 4), 3 being for premises for which no formal application for registration was made; 38 registration certificates were issued (18 and 20).

A total of 1269 factories and workshops was on the books of the department as at January 31, 1951, 370 being on the Island and 899 in Kowloon and the New Territories; 319 applications for registration were under consideration (146 HK and 173 K. & N.T.).

Following is a list of factories and workshops recorded and registered in January, giving details as to the labour employed:

	M.	F.	Total
1 Shipbuilders	100	6	106
1 Torches	15	80	95
1 Knitting	25	30	55
3 Saw Mills	28	..	28
2 Dyeing	25	..	25
1 Electric Bulbs	10	16	26
1 Tooth Brushes	18	6	24
1 Garments & Shirts ..	15	8	23
2 Printing	22	..	22
1 Buttons	16	1	17
1 Metal Wares	7	12	19
1 Tannery	16	..	16
1 Mantles	10	5	15
1 Hosiery	1	8	9
1 Drinking Straws ..	5	3	8
1 Weaving (Cotton) ..	3	4	7
1 Rice Mill	4	..	4
21	320	179	499

Factories that changed their names numbered 4 in January, i.e., 3 weaving and 1 knitting. Two aircraft maintenance companies merged under the title of the HK. Aircraft Engineering Co. Ltd.

KOWLOON-CANTON RAILWAY

Both passenger and goods were heavy this month. The reasons were the normal seasonal increase in the case of passengers, and the continuance of purchases of raw materials by Chinese Government Agencies in Hongkong in the case of goods traffic.

Passenger figures for the period and the previous period were as follows:—

	January	December
Up	284,647	269,166
Down	287,069	265,021
	571,716	534,181

Most trains have been badly overcrowded but little satisfactory relief can be afforded until new coaches arrive. Additional new 45-ton steel covered wagons have been attached to trains and they have to some extent provided extra accommodation as many bamboo-carrying passengers preferred to ride in them.

Goods tonnage carried was 37,056 tons against 32,643 tons for the previous month. The principal outward goods were iron bars, scrap iron, rubber sheets, steel plates, steel sheets, angle bars, quebracho extract, asphalt, rubber tyres, auto parts, foreign medicine and paper. Inward goods consisted mainly of eggs, wood oil, tea oil, groundnuts, hemp, poultry and pigs.

A serious accident occurred on the morning of January 24, when the 7.45 a.m. passenger train for Lowu entered the wrong track when passing Hung Hom block station. Considerable damage occurred to locomotives and railway property but fortunately there was no loss of life or serious injury. The accident was caused by a signalman omitting to set the points for the Main Line after having given line clear. A new signal box is being installed at

Hung Hom and when completed, all points and signals at this busy point will be interlocked and this should prevent a similar type of accident occurring in future.

Revenue earned. (December 16th—January 15th.)

	Passengers	Goods	Misc.	Total B.S. Receipts	Revenue
	\$	\$	\$	\$	\$
Local	668,502	235,536	78,415	982,353	

Way & Works

Renewal of 85-lb. old rails with 95-lb. new rails in the Main Line was commenced on Jan. 8, 1951. Curves between Mile 2¾ and 3¾ were re-railled. Up to date 134 rails and 1,167 sleepers were replaced.

The fifth shipment of Mai Yang sleepers (3,765 pcs.) arrived on 20.1.51. These sleepers will be kept in the "Un-allocated Stores" for next year's maintenance requirements.

Due to a shortage of creosote, the sleeper treating plant at Hung Hom Loco Yard stopped work on 10.11.50 after treating 924 sleepers. A shipment of creosote arrived at the end of December 1950, and work was resumed on 9.1.51.

Five track crossings and one drop-gate were made for the Public Works Department to enable motor vehicles to go to the new Police Camp on the Hung Hom Reclamation.

Damage to structures amounting to approximately \$5,000 was done to the Workshop buildings when Express Train No. 14 hit a stationary locomotive in front of Hung Hom Workshops on 24.1.51. The switch points had been wrongly set.

An indent was placed on the Crown Agents for 750 tons of rails and accessories for the 1951/52 programme for renewal of the Main Line permanent way.

Workshops.

Locomotive No. 28 was given medium repair which included re-boring of cylinders, renewal of pistons and valve piston-heads and a change-over of all rod bushings to bronze ones.

Coaches & Wagons: 5 coaches and 4 wagons received light repairs.

Work done for Hongkong Government Departments: Miscellaneous repairs were carried out for the Medical Department, Fire Brigade, P.W.D., and the Royal Observatory.

New Wagons: At the end of the month the last shipment of the 130 steel covered wagons indented for in 1946 was completed, and with the exception of one wagon, the roof of which was damaged by the shipper, pending settlement of claim, there have been 129 wagons assembled.

HONGKONG IMPORTS & EXPORTS OF SELECTED COMMODITIES

FOR THE MONTH OF DECEMBER, 1950

Wolfram

Countries	Imports		Exports	
	Quantity	Value	Quantity	Value
	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	83	22,275
China, South	—	—	147	102,900
Total	—	—	230	125,175

Antimony

— Nil —

Tin ingots of Chinese origin

	Piculs	\$	Piculs	\$
China, Middle	—	—	17	11,500
U. S. A.	—	—	168	153,260
Total	—	—	185	164,760

Tin ingots, not elsewhere stated

	Piculs	\$	Piculs	\$
Malaya (Br.)	218	236,150	—	—
Total	218	236,150	—	—

Tinned plates

	Piculs	\$	Piculs	\$
United Kingdom ..	942	95,870	—	—
Canada	750	42,005	—	—
China, North	—	—	1,226	150,320
U. S. A.	40,309	2,524,895	—	—
Total	42,001	2,662,770	1,226	150,320

Aniseed oil

	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	540	474,828
Australia	—	—	59	53,592
South Africa	—	—	4	3,450
China, South	546	417,673	—	—
France	—	—	206	187,725
Italy	—	—	16	15,318
Philippines	—	—	9	3,360
U. S. A.	—	—	300	270,781
Total	546	417,673	1,134	1,009,054

Cassia oil

	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	16	15,000
China, South	344	684,297	—	—
Japan	—	—	1	585
U. S. A.	—	—	169	348,678
Total	344	684,297	186	364,263

Coco-nut (copra) oil, refined

	Piculs	\$	Piculs	\$
Malaya (Br.)	5,340	770,753	—	—
China, North	—	—	2,520	364,570
" Middle	—	—	1,644	217,896
" South	269	36,000	13	1,757
Macao	—	—	35	4,950
Total	5,609	806,753	4,212	589,173

Linseed oil

Countries	Imports		Exports	
	Quantity	Value	Quantity	Value
	Piculs	\$	Piculs	\$
United Kingdom ..	64	8,760	—	—
India	253	39,188	—	—
China, North	94	13,000	—	—
" Middle	—	—	260	40,638
Macao	—	—	6	1,038
U. S. A.	16	4,504	—	—
Total	427	65,452	266	41,676

Groundnut (peanut) oil

	Piculs	\$	Piculs	\$
East Africa	—	—	2	384
India	1,650	259,890	—	—
Malaya (Br.)	—	—	1,244	210,529
North Borneo	—	—	37	5,686
Br. Commonwealth, Other	—	—	5	1,112
China, North	9,014	1,397,097	—	—
" Middle	2,875	458,046	3,360	524,730
" South	1,245	204,367	6	960
Italy	—	—	2,016	300,000
Macao	3	540	1,097	176,872
Thailand	1,502	246,837	—	—
Total	16,289	2,566,777	7,767	1,220,273

Sesamum oil

	Piculs	\$	Piculs	\$
Australia	—	—	7	1,857
Canada	—	—	8	1,487
West Indies	—	—	1	103
Malaya (Br.)	—	—	99	23,808
Br. Commonwealth, Other	—	—	1	317
China, North	269	52,940	—	—
" Middle	2	180	—	—
" South	234	37,500	—	—
Macao	7	1,687	21	4,149
U. S. of Indonesia	—	—	1	110
Philippines	—	—	20	3,661
South America ..	—	—	1	248
U. S. A.	—	—	6	1,301
Total	512	92,307	165	37,041

Soya-bean oil

	Piculs	\$	Piculs	\$
Australia	—	—	83	11,340
China, North	502	61,230	—	—
Switzerland	—	—	2,218	292,723
Total	502	61,230	2,301	304,063

Tea seed oil

	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	2,971	494,949
China, South	1,649	243,269	—	—
Macao	—	—	4	469
U. S. A.	—	—	579	104,280
Total	1,649	243,269	3,554	599,698

Other oils from seeds, nuts and kernels

	Piculs	\$	Piculs	\$
United Kingdom ..	—	—	1,680	240,000
China, Middle	2	420	—	—
Thailand	798	137,840	—	—
Total	800	138,260	1,680	240,000

HONGKONG'S FISHING INDUSTRY IN JANUARY

Estimated Number of Fishing Days:—
Trawlers 12 to 16 days, Long Liners
15 to 19 days, Purse Seiners 16 to 19
days.

Amount of Fish Handled:—

	Actual Weight	Fresh Fish Equivalent
Fresh Fish	31,042 piculs	31,042 piculs
Sun Dried	1,091 "	3,637 "
Salt Dried	8,527 "	7,054 "
Salt Wet	14,498 "	18,123 "
	50,158 piculs	59,856 piculs

Total quantity of fresh fish handled:—\$1,042
piculs, Total quantity of salt fish handled:—
19,116 piculs.

Local Production, Imports and Ex- ports:—

	Weight (picul)	Value (\$)
Fish marketed	50,158	3,598,822
Fish exported (excluding sea products)	28,599	1,785,892
Fish imported (as per whole- sale permits issued)	8,161	1,201,416

Weather in January:—Strong, gusty
winds did not make for good fishing in
otherwise good weather. The small in-
shore fishermen and the long liners
were most affected by the strong winds
and although catches from these vessels
were good in comparison with last
month, they were rather disappointing.

Fishing Activities:—As usual before
Chinese New Year, the fishing effort
was considerable. The Pa teng fisher-
men had good catches of Mackerel
Scad and this fish formed 20% of the
total landings. Trawled fish landings
were again low, but there was an in-
crease in the number of trawlers in the
Colony towards the end of the month.

Salt Fish:—There was an improve-
ment in the salt fish landings but this
was due mainly to the good catches of
Mackerel Scad. Landings of salt/dried
fish from trawlers were lower even
than those of last month but there was
an encouraging improvement at the end
of the month.

Buyers Activities:—Buyers are find-
ing the exportation of fresh fish a
paying business. There already exists
a small but flourishing trade with the
Philippines and Singapore and now an
attempt is being made to open up trad-
ing with the U.S.A.

Mechanised Vessels:—There has been
some change in the composition of the
Mechanised Fleet which now comprises
112 vessels. Three native type fish
collecting vessels have been mechanised

and licenced; one Japanese Schooner
type Crab and Shrimp trawler has been
re-licensed as a trading vessel; one
native type long liner has been re-
converted to a sailing fishing 'junk'; and
a native type long liner has been con-
verted to a Beam Trawler.

Landings by the Mechanised Fishing Fleet:—

Combined Totals of Kennedy Town
and Kowloon Markets:—Weight, 2,662.07
piculs, Value \$243,737.09, Average price
\$0.92 per catty.

Combined Totals of owner-operated
native type vessels:—

Weight 6,640.44, Value \$642,886.01,
Average Price \$0.97 per catty.

Trawler Companies

Company	Kennedy Town		Kowloon	
	Weight (picul)	Value (\$)	Weight (picul)	Value (\$)
Gt. South Fishing Industrious Co.	514.21½	48,176.00	—	—
Wah Sang Fisheries Co.	1,196.95	103,961.17	41.40½	4,846.69
Kung Yick Fisheries Co.	496.09	47,593.58	—	—
Modern Fisheries Co.	228.90½	24,353.36	—	—
Ocean Fisheries Co.	75.37	7,320.26	—	—
Chi Cheung Fisheries Co.	4.45½	382.97	5.88	284.55
Kwong Nam Trawler Co.	—	—	66.98½	4,087.63
Mighty Midget	—	—	81.81½	2,080.84
	2,515.99	\$232,487.34	146.08½	\$11,249.75

acting on a suggestion by the Director
of Audit the balance of \$60,135.16 which
had previously been shown in the bal-
ance sheet as a separate item has now
been transferred to Trust Account No.
1. It should be noted that \$5,000,000
of this asset was already included in
the item "Fixed Deposit Account."

The running costs of the Custodian's
Department are met from the General
Revenue of the Colony.

HONGKONG VEGETABLE MARKETING

Trading of the Vegetable Marketing Organisation:—

	Weight (Piculs)	Value
Local Vegetables	72,948.19½	\$1,071,877.00
Imported Vegetable ,	25,400.22½	477,441.48
	98,348.42	\$1,549,118.48

Comparison—January, 1949, 1950 and 1951:—

	Weight (picul)	Value (\$)	Av. Price Per Picul
Local Vegetables:—			
1949	89,789.86	705,720.95	17.74
1950	61,144.28	1,059,131.16	17.32
1951	72,948.19	1,071,877.00	14.69
Imported Vegetables:—			
1949	15,343.22	801,867.04	19.67
1950	16,909.85	362,568.13	21.44
1951	25,400.22	477,441.48	18.80

Spells of warm weather in January helped to step up production. This was the best month since the start of the Marketing Scheme. On average, the Market handled well over 3,000 piculs per day. Production in the New Territories was considerable and on the 6th January 3,000 piculs were received from the N.T. alone. With the approach of Chinese New Year, the quantity of imported vegetables increased and the less perishable root crops were in great demand.

As with fish prices, vegetable prices were very reasonable. At a time when most other essential foods were rising in price, these commodities showed a decrease.

Average Wholesale Prices (All Types):—

	Local		Imported	
	1950	1951	1950	1951
Jan.	17.32	14.69	21.44	18.80
Feb.	18.93		25.75	
Mar.	18.32		20.50	
Apr.	24.40		20.79	
May	23.81		21.56	
June	21.39		17.13	
July	17.59		15.77	
Aug.	18.12		18.37	
Sept.	21.71		20.09	
Oct.	27.23		23.34	
Nov.	18.67		18.72	
Dec.	20.24		19.82	

Hongkong Aviation Returns for January 1951

	CIVIL AIRCRAFT		PASSENGERS		MAIL (Kilograms)		FREIGHT (Kilograms)	
	Arrivals	Departures	In	Out	In	Out	In	Out
Monthly averages for 1948	595	—	9,592	9,382	13,726¼	13,649¼	42,920	100,986
Monthly averages for 1949	1,062	1,057.5	12,246	13,312	13,842	14,576	237,690	272,656
Monthly averages for 1950	223	223	2,722	3,452	12,767	15,803	65,912	111,645
1951:								
January	246	248	2,715	3,789	23,342	26,701	119,113	123,201

Total aircraft for January 1951 in and out: 494; total passengers: 6,504; total mail: 50,043 kgs.; total freight: 242.3 metric tons.

..Civil Air Traffic in January:—(a) The total of 494 aircraft on international flights was an increase of 20 over the previous month. These aircraft brought in 2715 passengers and took out 3789 and the total of 6504 which averages 209 a day was 108 less than the previous month. 233 tons of mail and 267 tons of freight were carried. (b) There were 620 local movements of civil aircraft mainly for training and test purposes.

Commercial. Companies:—The first Iranian registered aircraft to appear in the Colony landed on the 29th. Chartered by a business firm in Rome it brought here a cargo of general merchandise from Switzerland.

Works and Buildings:—The first phase of the scheme to place additional fire hydrants at the airport has been completed. This consisted of an extension from the mains to the terminal building. The installation of new apron floodlights has been completed. A concrete curb has been fixed two feet from the fencing on the apron next to the seawall to prevent airline steps and ladders being pushed against the fence.

Aeradio:—Nearly half a million words were handled by radio telegraphy. Fixed Services have generally been satisfactory during the month, but some difficulty has been experienced in communicating with Bangkok and Rangoon, during the dawn period. This is being investigated. Discussions took place during the month with Air Traffic

Control representatives from Okinawa regarding communications difficulties between Hongkong and Okinawa. Suggestions were made for Okinawa A.T.C. to join the existing Hongkong/Taipei circuit on 9400/3120 kc/s. The radio-telephone continues to give excellent service, and tests have been carried out with Cathay Pacific Airways, Ltd., Qantas and British Overseas Airways Corporation.

Meteorological Services. National synoptic and sub-area broadcasts continued to operate satisfactorily during the month. Meteorological interceptions have not been too satisfactory. H. F. D/F. A total of 111 bearings were passed to aircraft during the month. V. H. F. D/F. A total of 997 bearings were passed to aircraft during the month.

Hongkong Shipping Returns for January 1951

	Ocean Steamers Tonnage		River Steamers		Ocean Passengers		River Passengers	
	In	Out	In	Out	In	Out	In	Out
Monthly averages 1948	659,582	651,394	122,834	123,338	23,583	19,547	37,529	29,769
" " 1949	824,239	828,696	163,345	168,147	21,952	21,564	48,496	52,620
" " 1950	763,702	769,097	207,847	207,465	4,887	9,066	63,887	65,333
1951:								
January	699,726	694,844	170,240	168,861	3,372	6,257	50,812	54,412

Total ocean steamer tonnage for January 1951: 1,394,570 tons; total river tonnage: 339,101 tons; grand total 1,733,671 tons.

Total ocean passengers: 9,629; total river passengers: 105,224; grand total: 114,853.

Hongkong Shipping Report for January 1951

Ocean Steamers

Foreign Trade Conducted by Junks & Launches of 60 registered tons & under

JUNKS

	No. of Vessels	Reg. Tonnage		Dead Weight		No. of Passengers	
		Inward	Outward	Inward	Outward	Inward	Outward
1951 January	1,308	1,383	150,912	163,777	53,756	25,642	871
1950 December	1,358	1,385	160,744	164,781	50,387	21,198	748
	- 50	- 52	- 9,832	- 1,004	+ 3,369	+ 4,344	+ 123
							- 109
LAUNCHES							
1951 January	337	350	6,851	6,984	588	401	-
1950 December	325	329	6,441	6,364	501	206	-
	+ 12	+ 21	+ 410	+ 620	+ 87	+ 195	-
Total Vessels entered & cleared							
December 1950			3,397		335,330	N. R. Tons.	
January 1951			3,328		328,524		
					- 69	- 9,805	
Total Cargo discharged & loaded							
December 1950			72,292				
January 1951			80,257				
					+ 7,995		

D. W. Tons

Total Cargo discharged & loaded

Local Trade Conducted by Junks & Launches of 60 registered tons & under

JUNKS

	No. of Vessels	Reg. Tonnage		Dead Weight		No. of Passengers	
		Inward	Outward	Inward	Outward	Inward	Outward
1951 January	1,403	1,460	48,536	49,190	26,657	6,098	-
1950 December	1,445	1,453	58,509	61,992	27,039	6,480	-
	- 42	+ 7	- 9,973	- 12,802	- 382	- 382	-
LAUNCHES							
1951 January	388	389	11,048	11,041	266	401	23,635
1950 December	397	396	10,514	10,520	191	392	22,126
	- 9	- 7	+ 534	+ 521	+ 76	+ 9	+ 1,509
							+ 5,763
Total Vessels entered & cleared							
December 1950			3,691		141,595	N. R. Tons	
January 1951			3,640		119,815		
					- 51	- 21,720	
Total Cargo discharged & loaded							
December 1950			34,102				
January 1951			33,422				
					- 680		

D. W. Tons

Arrivals

Flag	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	123	300,851	141,102	2,279	147	413,311	77,031	2,322
American	18	87,853	10,087	130	121	281,533	97,880	3,955
Chinese	23	19,626	10,303	10	19	93,090	7,868	304
Danish	10	31,352	12,830	159	22	25,002	14,687	21
Dutch	11	54,347	15,201	264	11	32,019	6,628	21
French	5	31,955	2,441	57	11	57,781	13,570	1,497
Greek	5	5,119	556	2	5	34,682	1,330	133
Hondurian	1	4,364	9,045	458	5	5,099	394	-
Norwegian	32	76,660	56,609	4	31	76,019	2,823	355
Panamanian	26	53,279	26,712	2	24	47,227	27,030	9
Philippine	9	11,446	4,371	7	10	15,341	1,481	-
Portuguese	1	111	-	-	1	111	-	-
Polish	2	6,776	-	7	2	6,776	-	-
Swedish	5	15,957	11,339	-	-	-	-	-
Total	148	398,875	159,501	1,093	6	20,164	1,216	3
Foreign	271	699,726	300,603	3,372	268	694,844	174,911	6,257
Total								

Departures

Flag	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	170	166,320	3,884	50,812	167	164,364	7,168	54,412
Chinese	25	3,623	1,324	-	25	4,200	1,119	-
Portuguese	1	297	391	-	1	297	-	-
Total	26	3,920	1,715	-	26	4,497	1,119	-
Foreign	196	170,240	5,599	50,812	193	168,861	8,287	54,412
Total								

HONGKONG COMMERCIAL CARGO

For January 1951

		Ocean Vessels		River Vessels	
		Discharged	Loaded	Discharged	Loaded
1951 January	.....	300,603	174,911	5,599	8,287
Total ocean cargo discharged and loaded January 1951: 475,514 tons;					
total river cargo: 13,886 tons; grand total: 489,400 tons.					
Monthly averages for 1947, 1948 1949 and 1950 (in tons):—					
		1947	1948	1949	1950
Ocean cargo in	.....	187,552	193,416	272,418	320,079
" " out	.....	71,047	87,849	128,034	185,732
River cargo in	.....	7,483	9,042	8,291	7,893
" " out	.....	7,369	7,456	10,404	8,943
Highest and lowest ocean cargo figures for 1948, 1949 and 1950 (in tons):					
		1948	1949	1950	
Highest discharged	241,574 in Mar.	377,034 in Dec.	443,678 in Jan.		
loaded	122,684 in Dec.	158,697 in Sept.	228,730 in Dec.		
Lowest discharged	138,922 in Nov.	179,805 in Feb.	252,428 in Aug.		
" loaded	57,988 in Oct.	76,461 in Feb.	123,112 in Feb.		

HONGKONG IMPORTS & EXPORTS BY AIR

Following are statistics of Hongkong's imports and exports by air for November 1950 and monthly averages of the years 1948 and 1949 and the nine months Jan.-Sept. 1950.

VALUE OF IMPORTS OF AIR FREIGHT

Countries	Monthly Average 1948		Monthly average 1949		Monthly Average Jan.-Sept., 1950		November, 1950	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Kilos	\$	Kilos.	\$	Kilos	\$	Kilos	\$
United Kingdom	882	215,272	1,381	400,263	1,364	266,968	4,884	1,639,695
Australia	17	709	51	5,162	226	7,683	301	18,013
Canada	61	46,058	299	245,395	527	403,392	741	553,474
Ceylon	43	19,181	2	2,032	—	—	—	—
East Africa	—	—	2	212	—	—	—	—
India)	1	142	26	22,331	68	25,033	359	51,068
Pakistan)			—	5	—	—	—	—
Malaya (British)	152	17,017	127	19,636	247	47,783	203	17,711
New Zealand	32	12,112	—	—	—	—	—	—
South Africa	—	—	53	375,089	—	—	—	—
West Africa	1	103,314	—	—	—	—	—	—
West Indies	4	301	—	—	—	—	—	—
Br. Commonwealth of Nations, Other .	—	—	—	20	372	5,496	15	2,500
Austria	—	—	—	—	3	93	205	16,992
Belgium	—	337	30	103,080	17	1,502	—	—
Burma	5	57,847	12	108	68	1,523	—	—
Central America	—	—	—	75	—	—	—	—
China, North	7	473	26,748	366,966	—	—	—	—
„ Middle	10	1,524	13	791	67	2,627	47	1,200
„ South	4,024	37,731	98,215	560,764	265	7,100	—	—
Czechoslovakia	7	1,969	19	2,827	11	1,200	—	—
Denmark	16	2,422	8	765	16	1,267	4	180
Egypt	7	266	5	300	1	57	—	—
France	61	12,388	107	107,110	148	36,500	87	31,856
French Indochina	8	374	294	6,023	3	68	—	—
Germany	136	43,842	423	79,158	1,374	141,722	8,307	825,137
Holland	7	17,695	10	8,133	6	2,297	18	30,288
Italy	12	2,460	98	9,480	14	1,956	42	33,693
Japan	6	855	194	5,216	478	45,265	4,225	421,383
Korea South	—	—	—	—	4	1,588	—	—
Norway	176	6,341	6	1,876	18	89	—	—
Philippines	3,965	120,654	10,544	952,295	382	11,916	47	1,000
South America	10	1,363	1	278	3	1,428	3	2,626
Spain	—	—	10	2,604	11	2,667	—	—
Sweden	4	689	72	21,635	90	10,722	281	47,760
Switzerland	2,426	2,157,283	4,306	3,886,080	4,563	4,233,771	9,712	5,798,973
Thailand	76	22,521	1,190	43,928	92	13,922	315	80,360
U. S. A.	10,638	2,698,658	8,032	4,103,514	6,589	2,233,955	13,362	4,845,997
Indonesia	—	—	3	222	375	37,402	4,819	558,376
All other countries	—	—	3	7,554	7	6,943	70	165,152
Total	22,794	5,601,807	152,284	11,340,932	17,409	7,553,935	48,047	15,143,439
Total Br. Commonwealth of Nations	1,193	414,106	1,941	1,070,145	2,804	756,355	6,503	2,282,461
Total Foreign	21,601	5,187,701	150,343	10,270,787	14,605	6,797,580	41,544	12,860,978

VALUE OF EXPORTS OF AIR FREIGHT

Countries	Monthly Average 1948		Monthly average 1949		Monthly Average Jan.-Sept., 1950		November, 1950	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Kilos	\$	Kilos	\$	Kilos	\$	Kilos	\$
United Kingdom	35	4,353	27	20,921	254	78,362	393	98,984
Australia	25	2,043	102	11,991	266	32,097	1,122	111,734
Canada	23	4,455	120	13,816	31	5,143	16	2,424
Ceylon	36	5,607	18	322	37	1,649	—	—
East Africa	—	42	8	683	23	1,115	9	772
India)	1	1,225	(1,172	65,916	5,011	204,290	317	39,753
Pakistan)			(1,944	73,721	1,686	69,003	1,805	99,630
Malaya (British)	42	13,990	1,280	1,062,556	3,553	3,183,602	7,072	8,162,683
New Zealand	210	148,071	—	644	—	42	—	—
North Borneo	1	75	1	3,307	7	984	5	789
South Africa	1	1,323	45	14,463	25	7,016	64	4,609
West Africa	18	2,780	22	2,089	6	1,224	—	—
West Indies	11	975	15	1,199	25	1,772	—	—
Br. Commonwealth of Nations, Other .	100	6,766	46	6,212	6	1,773	246	3,690
Austria	—	—	—	13	—	6	—	—
Belgium	39	7,864	12	2,335	55	21,567	248	35,697
Burma	65	4,271	3,453	85,510	3,418	102,332	696	20,837
Central America	37	6,091	70	12,133	77	17,197	113	19,480
China, North	2,566	32,732	44,969	3,859,573	—	—	—	—
„ Middle	1,424	21,111	6,574	719,117	12,141	578,861	22,125	1,139,209
„ South	24,525	323,077	67,747	7,273,187	2,435	43,836	—	—
Czechoslovakia	—	—	—	151	—	5	—	—
Denmark	2	29	4	615	119	21,341	30	17,080
Egypt	70	4,925	71	7,692	139	10,762	98	37,194
France	8	2,216	22	14,966	42	10,310	263	51,342
French Indochina	362	7,764	824	14,725	1,449	44,429	1,258	108,155
Germany	12	92	3	382	63	10,574	63	12,880
Holland	4	13,982	7	25,908	63	25,325	129	8,862
Iran	—	—	2	136	—	—	—	—
Iraq	4	309	—	—	2	107	—	—
Italy	3	148	3	259	20	3,074	6	650
Japan	50	4,047	439	59,599	1,767	301,755	2,628	516,450
Korea South	—	14	370	23,475	196	31,176	590	39,200
Macao	—	—	1	10	—	—	—	—
Norway	3	421	7	583	19	1,547	197	16,160
Philippines	2,861	23,129	1,243	18,617	2,825	28,711	3,413	21,364
Portugal	—	—	6	1,069	2	318	—	—
Portuguese East Africa	—	—	1	31	—	33	—	—
South America	23	3,221	73	10,224	158	19,872	425	56,174
Spain	—	—	1	109	35	4,299	35	12,489
Switzerland	115	19,508	18	4,894	126	15,381	316	23,827
Thailand	5,744	296,337	3,156	180,228	5,082	271,924	6,605	349,167
Turkey	13	725	1	221	1	59	—	—
U. S. A.	2,131	279,964	1,904	391,763	3,369	786,881	7,854	1,267,205
Indonesia	15	2,050	39	8,164	23	5,239	52	4,300
All other countries	32	1,228	35	37,510	213	17,580	112	15,523
Total	40,611	1,246,960	135,855	14,031,049	44,769	5,962,573	58,305	12,298,313
Total Br. Commonwealth of Nations	503	191,705	4,800	1,277,845	10,930	3,588,072	11,049	8,525,073
Total Foreign	40,108	1,055,255	131,055	12,753,204	33,839	2,374,501	47,256	3,773,245

THE SHANGHAI KEDAH
PLANTATIONS, LTD.

The twenty-fifth Ordinary General meeting of The Shanghai Kedah Plantations, Ltd., was held on February 21 when the Chairman's report showed that the profit for the year ending September 30, 1950, amounted to S\$491,192 compared with S\$245,628 during the previous year. The Directors recommended a final dividend of \$1.00 per share making a total of \$1.20 for the year absorbing \$300,000. The sum of \$20,000 was transferred to Investment Reserve and \$100,000 to re-planting reserve, leaving the sum of \$70,624 to be carried forward to the current year's account.

The Chairman pointed out that while the Estates had been free of trouble during the year it was not possible to point to any improvement in the situation. The cost of production would necessarily increase during the current year on account of the increase in wages and an increase in export tax. On the other hand rubber prices had advanced reaching the highest level since 1912 and at the close of the financial year stood at \$1.40 per lb.

The estimated output of the Shanghai Kedah Plantations during the current year stood at 1,200,000 lbs.